



City of Carlsbad

2005-2010 Housing Element

**Adopted by City of Carlsbad City Council
December 22, 2009
Resolution No. 2009-322**

**Certified by State Department of Housing and Community Development
March 30, 2010**

**City of Carlsbad
Planning Department
1635 Faraday Avenue
Carlsbad, CA 92008-7314
(760) 602-4600**

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1. Introduction

A. Purpose and Content of Housing Element

The Housing Element of the General Plan is designed to provide the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both State and local governments, Government Code Section 65580 states the intent of creating housing elements:

The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian family is a priority of the highest order.

Per State law, the Housing Element has two main purposes:

- (1) To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
- (2) To provide a strategy that establishes housing goals, policies, and programs.

The Housing Element is a five-year plan for the 2005-2010 period, which differs from the City's other General Plan elements which cover a much longer period. The Housing Element serves as an integrated part of the General Plan, but is updated more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

- (1) Conserving and improving existing affordable housing;
- (2) Maximizing housing opportunities throughout the community;
- (3) Assisting in the provision of affordable housing;
- (4) Removing governmental and other constraints to housing investment; and
- (5) Promoting fair and equal housing opportunities.

The Housing Element has the following major components:

- An introduction to review the requirements of the Housing Element, public participation process, and data sources (Section 1);
- A profile and analysis of the City's demographics, housing characteristics, and existing and future housing needs (Section 2);
- A review of resources available to facilitate and encourage the production and maintenance of housing, including land available for new construction, as well as financial and administrative resources available for housing (Section 3);

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- An analysis of constraints on housing production and maintenance, including market, governmental, and environmental limitations to meeting the City's identified needs (Section 4);
- An evaluation of accomplishments under the 1999-2005 Housing Element (Section 5); and
- A statement of the Housing Plan to address the City's identified housing needs, including an assessment of past accomplishments, and a formulation of housing goals, policies, and programs (Section 6)

B. State Requirements

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the State's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Government Code Section 65302(c) sets forth the specific components to be contained in a community's housing element.

State law requires housing elements to be updated every five years to reflect a community's changing housing needs, unless otherwise extended by State legislation. The previous (1999-2004) Housing Element cycle for the San Diego region was extended one year by State legislation. Therefore, the 1999 Carlsbad Housing Element covered the period spanning July 1, 1999 through June 30, 2005. The updated Housing Element covers the planning period of July 1, 2005 through June 30, 2010.

C. Regional Share Housing Needs Assessment

A critical measure of compliance with the State Housing Element law is the ability of a jurisdiction to accommodate its share of the regional housing needs – Regional Housing Needs Allocation (RHNA). For San Diego County, the regional growth projected by the State was for the period between January 1, 2003 and June 30, 2010. Therefore, while the Housing Element is a five-year document covering July 1, 2005 to June 30, 2010, the City has seven and one-half years (January 1, 2003 through June 30, 2010) to fulfill the RHNA. Table 1-1 presents Carlsbad's allocation of the regional housing need by income group as determined by SANDAG.

**Table 1-1
2005-2010 RHNA**

Income Group	Carlsbad		Region	
	#	%	#	%
Very Low (<50% AMI) ¹	1,922	23.0%	24,143	22.5%
Low (50-80% AMI)	1,460	17.4%	18,348	17.1%
Moderate (80-120% AMI)	1,583	18.9%	20,280	18.9%
Above Moderate (>120% AMI)	3,411	40.7%	44,530	41.5%
Total	8,376	100.0%	107,301	100.0%

Source: SANDAG, 2005.

D. Self-Certification

State legislation (AB 1715) sponsored by SANDAG in 1995 created the opportunity for jurisdictions within the San Diego region to self-certify the housing element of their general plans. Carlsbad views the housing element self-certification option as having three purposes:

1. Give jurisdictions more flexibility in how they meet affordable housing goals;
2. Focus on housing production rather than paper generation; and
3. Eliminate the State Department of Housing and Community Development's (HCD) review and certification of the updated housing elements.

To self-certify, a jurisdiction must meet the following criteria:

1. The jurisdiction's adopted housing element or amendment substantially complies with the provisions of state law, including addressing the needs of all income levels;
2. The jurisdiction has provided for the maximum number of housing units/opportunities as determined pursuant Government Code Section 65585.1(a) within the previous planning period (1999-2004);
3. The city provides a statement regarding how its adopted housing element or amendment addresses the dispersion of lower income housing within

¹ The City has a RHNA allocation of 1,922 very low income units (inclusive of extremely low income units). Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. According to the CHAS data developed by HUD using 2000 Census data, 47 percent of the City's very low income households fall within the extremely low income category (see also Table 2-8). Therefore the City's RHNA of 1,922 very low income units may be split into 903 extremely low and 1,019 very low income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low income category.

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its jurisdiction, documenting that additional affordable housing opportunities will not be developed only in areas where concentrations of lower income households already exist, taking into account the availability of necessary public facilities and infrastructure; and

4. No local government actions or policies prevent the development of the identified sites pursuant to Government Code Section 65583, or accommodation of the jurisdictions' share of the total regional housing need pursuant to Government Code Section 65584.

The primary criterion for self-certification is the requirement that a jurisdiction must meet its affordable housing goal for the relevant housing element cycle. The affordable housing goal is defined in state law as the maximum number of housing units that can be constructed, acquired, rehabilitated, and preserved and the maximum number of units or households that can be provided with rental or ownership assistance for low, very low and extremely low income households.

Both the criterion and goal are intended to provide self-certifying jurisdictions more flexibility in meeting housing needs. Carlsbad complied with the production goal below based on a complex credit system that counts toward the goal not only construction of affordable units but also other accomplishments that provide adequate, affordable housing. In Carlsbad, these accomplishments included the City acquiring units at risk of losing their affordability to extremely low income households, requiring long-term affordability tenures, and requiring the construction of affordability units specifically for large households.

Carlsbad's production goal for the 1999-2005 cycle was 629 units, broken down by income category as follows and based on new construction and other accomplishments, as discussed above:

- Extremely Low Income (<30 percent AMI): 170 units (27 percent)
- Very Low Income (30-50 percent AMI): 201 units (32 percent)
- Low Income (50-80 percent AMI): 258 units (41 percent)

As demonstrated in Appendix A, Carlsbad has exceeded the requirements for self-certification by providing 274 extremely low, 357 very low, and 952 low income affordable housing opportunities during the time period. Exceeding the affordable housing requirements means that Carlsbad is eligible to self-certify its Housing Element, but does not exempt the City from complying with the State Housing Element law.

E. HCD Review

While the City of Carlsbad is eligible to self-certify its Housing Element, the City has elected to submit the 2005-2010 Housing Element for HCD review to ensure the City's eligibility for affordable housing programs. Draft Carlsbad Housing Elements were submitted to HCD in August 2007, June 2008, and September

2008. Comments were received from the State HCD on the City's Draft Housing Elements in letters dated October 25, 2007, August 4, 2008, and November 21, 2008. The November 21 letter from HCD states "the revised draft element addresses the statutory requirements described in the Department's August 4, 2008 review." This Housing Element, dated December 2008, is consistent with the revised draft element described in HCD's November 21 letter and represents a revised document in response to both State and other public comments received during the 60-day public review periods that occurred with each submittal of the draft element to HCD.

F. Data Sources and Methodology

In preparing the Housing Element, various sources of information were used. Wherever possible, Census 1990 and 2000 data provided the baseline for all demographic information. Additional information provided reliable updates to the 2000 Census. These include population and housing data from SANDAG and the California Department of Finance, housing market data from Dataquick, MLS, and other web-based real estate services, employment data from the Employment Development Department, lending data from financial institutions provided under the Home Mortgage Disclosure Act (HMDA), and the most recent data available from service agencies and other governmental agencies. In addition, data from the City's Geographic Information Systems (GIS) Department, which uses information from SANDAG and the County Assessor's Office, was primarily used in developing the vacant and underutilized land inventory presented in Section 3.

G. Public Participation

The general public has been consulted at various stages throughout the development of the Housing Element. Specifically, the City held three public workshops to address various components of the Housing Element and solicit input from community members. Each public workshop was noticed and the City sent fliers to service providers and a number of interested residents and community stakeholders, including:

- Home Owners Associations;
- Nonprofit organizations, social and supportive service agencies;
- Government entities;
- Groups representing the interest of farmworkers and farming industry; and
- Housing developers (both for- and non-profit).

The noticing list has been continually updated throughout the public review process. A copy of the noticing list and sample flyers are included as Appendix I.

The first workshop was held at City Hall on October 28, 2004. At this first meeting, the City gave an overview of the Housing Element Update process, requirements of State Law, and demographic and housing characteristics. Goals and policies of the 1999-2005 Housing Element were also reviewed. The City's

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second community workshop on December 9, 2004 reviewed opportunities and constraints to housing production in Carlsbad. The final community workshop was held on May 12, 2005. Recent changes in State law affecting the housing element, their possible implications for programs of the 2005-2010 Housing Element, and self-certification were discussed.

Public input received during the workshops included the following topics in italics below; after each topic is the City's response, which is based on State housing law, good planning, and concerns expressed by the community.

- *The update process* – General questions were asked about the process to update the housing element, including how the Regional Housing Needs Assessment (RHNA) is developed and addressed. A purpose of the three workshops was to explain the need for a housing element and the method to revise it. To aid the public's understanding, each workshop featured a written staff report, oral presentation using PowerPoint, and public question and answer period. All materials presented at the workshops were made available to the public. Furthermore, the Housing Element itself explains the housing element update process.
- *Location of affordable housing* – The public expressed concern regarding clustering all affordable housing in a single location. Affordable housing is located throughout Carlsbad. This dispersing is aided by the many master planned communities in the north and south halves of the City. Each master planned community is required by the Inclusionary Housing Ordinance to provide fifteen percent of its housing as housing restricted and affordable to lower income households. As proof of the dispersion of affordable housing in Carlsbad, Section 3 of this Element identifies several existing and proposed affordable housing projects and sites and their locations in the four different quadrants of the City. The Inclusionary Housing Ordinance also requires inclusionary housing to be in the same quadrant as the master plan market rate units or in a contiguous location in an adjacent quadrant. Moreover, many residential projects built in Carlsbad are mixed income. For example, Pacific View in the Kelly Ranch master plan features 451 apartments, 111 of which are rent restricted to lower-income families and located throughout the project.
- *City Council deletion of units from the Excess Dwelling Unit Bank and the adequacy of the bank to respond to affordable housing needs* –Section 4, Constraints and Mitigating Opportunities, analyzes the City Council's 2002 action to delete units from the bank and the adequacy of the bank today to meet affordable housing needs and the City's RHNA.
- *Condominium conversions and a lack of senior housing* – Comments expressed at the first public workshop expressed concern over the displacement of lower income residents, particularly seniors, who are displaced by condominiums conversions. Proposed Program 1.1 of the Housing Plan notes the City will continue its policy of discouraging such

conversions when they would reduce the number of low or moderate income housing units throughout Carlsbad. Condominium conversions are subject to the City's Inclusionary Housing Ordinance.

A concern was also expressed about a lack of senior housing in Carlsbad. In 1999, the City purchased an at-risk senior project and preserved 75 units for lower-income residents. Additionally, Section 2, Housing Needs Assessment, analyzes the need for senior housing in Carlsbad. Finally, proposed Program 3.10 notes the City's plan to develop 50 additional units of senior housing by 2010. The City is currently processing a 50 condominium senior project (Harding Street Senior Project) that would provide 7 lower and 8 moderate-income units.

- *Carlsbad's progress in providing affordable housing* – Section 3 details the City's accomplishments in providing very low, low, and moderate-income housing since 2003. Additionally, Carlsbad annually produces a housing production report that describes all housing produced by income level for the prior year. Section 3 also describes programs and policies that will enable the continuing production of affordable housing in the coming years.
- *Rezoning single-family home areas to permit higher density, low and moderate income housing* – Section 3 contains programs, both developer and city-initiated, to amend General Plan land use designations from non-residential and low density residential to permit high density and mixed use residential. Examples from Section 3 include the Bridges at Aviara, Quarry Creek, and shopping center projects.
- *Concern about reliance on the Inclusionary Housing Ordinance to produce affordable housing* – Since inclusionary housing is largely development driven, its production may decrease as land costs escalate and Carlsbad nears buildout. Therefore, it was also suggested that other means are needed to ensure affordable housing continues to be provided. The City notes that redevelopment of older properties, such as the conversion of apartments to condominiums, also results in inclusionary requirements (Section 3, Table 3-11 highlights one such project, Ocean Street Residences). The City expects property redevelopment to become more common, especially in older areas such as the downtown Village and the Barrio Area. Additionally, proposed Program 3-16 would result in Managed Living Units (which are similar to single room occupancy units) being conditionally permitted in the downtown Village area. Furthermore, proposed Program 2.4 requires the City to amend its zoning ordinance and other necessary land use documents to permit residential mixed use at 20 units per acre on shopping center sites and commercial areas. Other proposed programs promote additional affordable housing opportunities by continuing to implement a city land banking program to acquire land suitable for affordable housing; offering mortgage credit certificates, and Section 8 assistance.

- *Providing housing for persons with disabilities, single room occupancies (SROs), and other types of alternative housing* – The City acknowledges the need for these and other types of housing. Section 4 discusses a variety of housing types and Section 6, the City's Housing Plan, contains two proposed programs, Program 3.11 and Program 3.16, which specifically address the two specific housing types of concern. It should be noted that the City is proposing an ordinance to conditionally permit Managed Living Units, which are similar to SROs, in the City's downtown Village area. The City also proposes programs to address transitional and supportive housing types.
- *Housing Element self-certification* – Comments expressed at the last workshop in May 2005 regarded self-certification and its effects on Carlsbad. While the City is eligible to do so for the current housing cycle, it has chosen to not pursue self-certification. More information about self-certification may be found in this section.
- *The need to house farmworkers* – Carlsbad addresses the City's farmworker population in Section 2, including in Tables 2-9 and 2-10. Proposed Programs 3.13 and 3.16 also discuss housing for farmworkers. In 2008, the City Council approved \$2 million in funding to rebuild and expand the City's existing homeless/farmworker shelter, La Posada de Guadalupe. The expansion would provide 50 to 72 beds for farmworkers in addition to the 50 beds the shelter now provides.

On April 26, 2007, the Draft Housing Element was presented to the Housing Commission for review and discussion. On June 19 and July 17, 2007, the Housing Element was reviewed and discussed at regular City Council meetings. The City Council authorized staff to submit the Draft Housing Element to HCD. As it did with the three public workshops, the City extensively publicized the Housing Commission and City Council meetings.

At the Housing Commission and City Council meetings, the majority of public comments were focused on the City's proposed designation of the Quarry Creek site to meet part of its RHNA. Several suggested the site should be preserved rather than designated for housing, citing cultural and biological resources that exist there and on adjacent properties. The designation of Quarry Creek for smart growth purposes by SANDAG was also questioned. Other comments raised regarded the adequacy of the affordability tenure (30 and 55 years) for affordable housing, the feasibility of affordable housing west of Interstate 5 and along the coast, and impact of Housing Element programs on the City's Growth Management Program's dwelling unit cap.

In response to Quarry Creek, the City has attempted, since the Housing Commission and City Council hearings, to find additional sites that would provide affordable housing opportunities besides Quarry Creek and other properties already identified. This effort was made further necessary as the City

determined it could no longer count the Bridges at Aviara project to provide 377 units of potential affordable housing. (The City is now counting a much smaller yield from this project.)

In an effort to provide replacement and additional affordable housing sites, the City reconsidered its site analysis. While the effort failed to identify additional vacant land or significant gains in individual underutilized properties, the City was able to propose new programs that recognize a substantial number of units from the proposed Barrio Area plan. Additionally, an increase in the permitted density for some land use districts in the Village Redevelopment also enabled the City to continue to meet its RHNA. While the City still finds Quarry Creek as a critical component of its affordable housing portfolio, with increased opportunities in the Village, the City has reduced the site's anticipated yield from 600 units (as originally reported in the City's August 2007 Draft Housing Element) to 500 units.

As listed above, another hearing comment questioned the adequacy of the rental and resale restriction term the City applies to lower-income housing. In response, Carlsbad believes its Inclusionary Housing Ordinance requirement for affordability tenure for rental and for-sale housing of 55 and 30 years, respectively, is appropriate. When redevelopment funds are used, the affordability covenant for for-sale housing is 45 years. Due to redevelopment requirements, most communities also use similar affordability covenants.

With regards to the feasibility of housing west of Interstate 5, the City acknowledges the cost of land anywhere in Carlsbad is high; however, review of Tables 2-20 and 3-20 will reveal that well over 100 apartments and condominiums (not including second dwelling units) for lower-income families have been constructed near the coast. While most of these result from the City's Inclusionary Housing Ordinance, some are non-inclusionary products, such as Roosevelt Gardens, an eleven-unit project being built by Habitat for Humanity. This project received financial assistance from the City.

The City believes the higher densities permitted in the Village and proposed for the Barrio Area plan will produce housing eligible to be considered as affordable housing. Also, it should be noted to that all housing constructed in Carlsbad either pays an in-lieu fee toward or constructs affordable housing. As discussed in Section 3, fees are deposited into a trust fund which the City can leverage to produce or assist in the production of such housing. One such example is the purchase of Tyler Court in 1999, which preserved 75 units of extremely low and low income senior apartments in the Barrio Area west of Interstate 5.

With regards to Housing Element impacts on dwelling unit caps specified by the Growth Management Program, Section 4 provides a complete analysis to show that the proposed programs to ensure the City can meet its RHNA would not cause caps to be exceeded.

At the same time as the Housing Commission meeting, the City posted the Draft Housing Element on its website and provided copies of the document at City libraries and at its Faraday center. The City will similarly distribute the next Draft Housing Element.

Additional public input opportunities will occur before the Housing Commission, Planning Commission, and City Council as part of the Housing Element's review and adoption process. Public hearings will be held before each review body.

H. General Plan Consistency

The Housing Element is a component of the General Plan, last comprehensively updated in 1994 with the most recent amendment in 2006. California law requires that General Plans contain an integrated and internally consistent set of policies. The Housing Element is most affected by development policies contained in the *Land Use Element*, which establishes the location, type, intensity and distribution of land uses throughout the City. An analysis of the major policy areas of the *Land Use Element* and its relationship with the Housing Element is contained below.

The Housing Element is also affected by policies in the *Noise Element*, *Open Space & Conservation Element*, and the *Public Safety Element*, which contain policies limiting residential development due to certain reasons of biological impacts, noise impacts, geology, and public safety, including the location of Palomar Airport and its influence area. The Housing Element also relates to the *Circulation Element* in that major areas for housing must be served with adequate access routes and transportation systems and other infrastructure, such as electrical, gas, water, and sewer lines.

The Housing Element uses the residential goals and objectives of the City's adopted *Land Use Element* as a policy framework for developing more specific goals and policies in the Housing Element. The numerous residential goals and objectives of the *Land Use Element* encompass four main themes:

1. **Preservation:** The City should preserve the neighborhood character, retain the identity of existing neighborhoods, maximize open space, and ensure slope preservation.
2. **Choice:** The City should ensure a variety of housing types (single-family detached or attached, multifamily apartments and condominiums) with different styles and price levels in a variety of locations for all economic segments and throughout the City.
3. **Medium and High Density Uses in Appropriate, Compatible Locations:** Medium and higher density uses should be located where compatible with adjacent land uses and where adequately and conveniently served by commercial and employment centers, transportation and other infrastructure, and amenities. Further, the City should encourage a variety

of residential uses in commercial areas to increase the advantages of “close-in” living and convenient shopping.

4. **Housing Needs:** The City should utilize programs to revitalize deteriorating areas or those with high potential for deterioration and seek to provide low and moderate income housing.

Furthermore, affecting all development in Carlsbad is the Growth Management Program, the provisions of which are incorporated into the General Plan. Developed in 1986, the Growth Management Program ensures the timely provision of adequate public facilities and services to preserve the quality of life of Carlsbad residents. Accordingly, a purpose and intent of the Growth Management Program is to provide quality housing opportunities for all economic segments of the community and to balance the housing needs of the region against the public service needs of Carlsbad’s residents and available fiscal and environmental resources.

The Housing Element was reviewed with regard to the Growth Management Program. As demonstrated herein, the City can meet its obligations under the law with respect to the Regional Housing Needs Allocation under the Growth Management Program.

2. Housing Needs Assessment

The City of Carlsbad is committed to the goal of providing adequate housing for its present and future residents. To implement this goal, the City must target its limited resources toward those households with the greatest need. This chapter discusses the characteristics of the City's present and future population in order to better define the nature and extent of housing needs in Carlsbad.

A. Population Characteristics

Population Growth

Since its incorporation in 1952, the City of Carlsbad has grown steadily and substantially over the decades from a population of 9,253 in 1960 to 95,146 in 2005. The number of Carlsbad residents is expected to reach 107,305 in 2010 (**Table 2-1**).

Between 1990 and 2005, Carlsbad's proportional change in population was over twice that for the County. San Marcos is the only neighboring jurisdiction to have a greater proportional increase than Carlsbad during this period. Similarly, Carlsbad's projected growth in population from 2005 to 2010 is greater than that projected for neighboring jurisdictions.

Table 2-1
Population Growth

	Total Population 1990	Total Population 2005	Total Population 2010 (Projected)	Percent Change 1990-2005	Projected Percent Change 2005-2010
Carlsbad	63,126	95,146	107,305	50.7%	12.8%
Encinitas	55,386	62,774	64,904	13.3%	3.4%
Escondido	108,635	141,350	144,657	30.1%	2.3%
Oceanside	128,398	175,085	188,974	36.4%	7.9%
Poway	43,516	50,675	51,814	16.5%	2.2%
San Marcos	38,974	73,054	77,645	87.4%	6.3%
Vista	71,872	94,109	97,612	30.9%	3.7%
San Diego County	2,498,016	3,051,280	3,211,721	22.1%	5.3%

Source: Census, 1990; California Department of Finance, 2005; and SANDAG Data Warehouse, 2004.

Age Trends

Housing needs are determined in part by the age of residents in that each age group often has a distinct lifestyle, family characteristics, and income level, resulting in different housing needs. A significant presence of children under 18 years of age can be an indicator of the need for larger housing units since this characteristic is often tied to families and larger households. The presence of a

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large number of seniors and mature adults may indicate a need for smaller homes that are more affordable and require less maintenance to allow these residents to age in place.

As summarized in **Table 2-2**, the median age for Carlsbad residents was 38.9 in 2000; the highest of northern San Diego County cities and 5.7 years higher than the median age for County residents. In 2000, residents under 18 years of age constituted 23.3 percent of the City population, while seniors (over 65) comprised 14.0 percent.

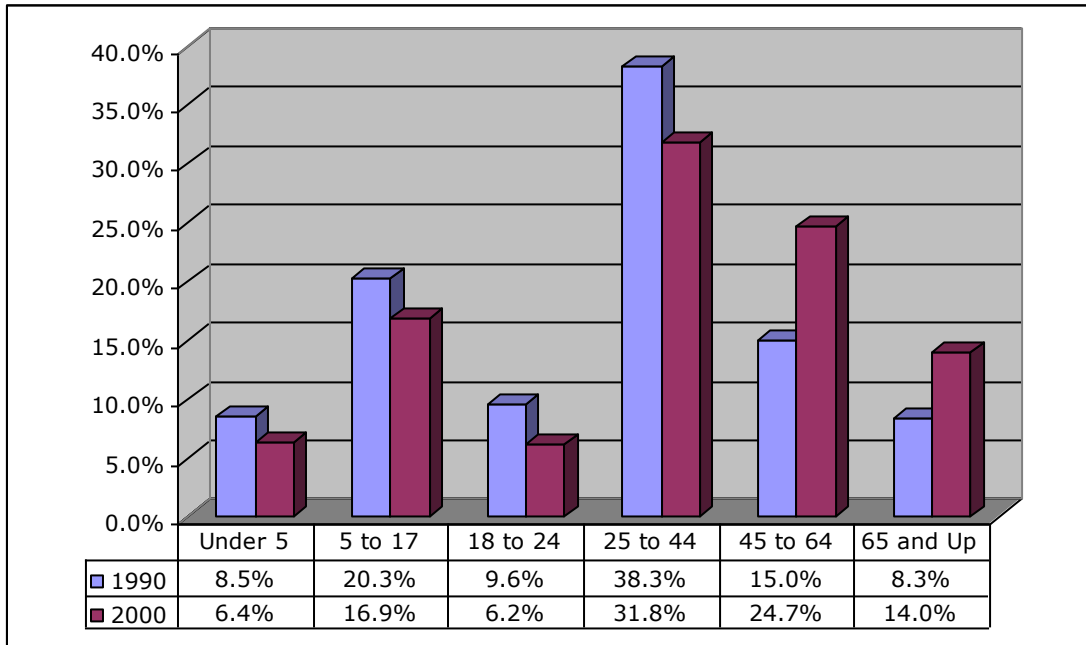
Table 2-2
Age Characteristics

City	Under 18 Years				Over 65 Years				Median Age 2000
	1990		2000		1990		2000		
	#	%	#	%	#	%	#	%	
Carlsbad	13,627	21.6%	18,240	23.3%	8,271	13.1%	10,980	14.0%	38.9
Encinitas	12,545	22.7%	13,377	23.1%	5,055	9.1%	6,055	10.4%	37.9
Escondido	28,824	26.5%	39,687	29.7%	14,074	12.9%	14,720	11.0%	31.2
Oceanside	33,662	26.2%	44,456	27.6%	18,010	14.0%	21,859	13.6%	33.3
Poway	13,047	29.9%	14,741	30.6%	3,027	6.9%	4,138	8.6%	36.9
San Marcos	10,566	27.1%	16,005	29.1%	5,714	14.6%	6,525	11.9%	32.1
Vista	19,368	26.9%	26,653	29.6%	8,746	12.2%	9,006	10.0%	30.3
San Diego Co.	610,946	24.5%	723,661	25.7%	273,140	10.9%	313,750	11.2%	33.2

Source: Census, 1990 and 2000.

Reflective of the City's relatively high median age, the proportion of residents aged 45 and up increased sharply, while the proportion of residents under 45 years of age declined between 1990 and 2000 (**Figure 2-1**). This may be indicative of home and rental prices in Carlsbad outpacing the affordability price range for younger residents and families. Specifically, the proportion of young adults (18-24 years) declined 3.4 percentage points. This age group is comprised of those who tend to be in school or just starting their careers. The proportion of the 25-44 age group declined 6.5 percentage points. This group tends to consist of young families with children.

Figure 2-1
Age Distribution: 1990 and 2000



Source: Census, 1990 and 2000

Race and Ethnicity

Carlsbad did not experience significant race/ethnic changes from 1990 to 2000. In 1990, 81.7 percent of residents were White and 13.8 percent were Hispanic/Latino. Asian, Black/African American, and other races/ethnicities comprised just a small portion of the population (**Table 2-3**).

Table 2-3
Race/Ethnicity: 1990 and 2000

Race/Ethnicity	1990		2000	
	#	%	#	%
White	51,555	81.7%	63,013	80.5%
Hispanic/Latino	8,700	13.8%	9,170	11.7%
Asian/Pacific Islander	1,916	3.0%	3,472	4.4%
Black/African American	702	1.1%	691	0.9%
Other	253	0.4%	1,970	2.5%

Source: Census, 1990 and 2000.

The proportion of City residents in 2000 who classified themselves as White decreased slightly, as did the proportions of Hispanic/Latinos and Black/African American residents. The proportion of Asian/Pacific Islanders and those of other races increased slightly (4.4 percent and 2.5 percent, respectively). As of 2000,

Carlsbad had the lowest proportion of non-white residents among its neighbors (**Table 2-4**).

Table 2-4
Racial Composition: 2000

City	White	Hispanic/ Latino	Asian/ Pacific Islander	Black/ African American	Other
Carlsbad	80.5%	11.7%	4.4%	0.9%	2.5%
Encinitas	79.0%	14.8%	3.2%	0.5%	2.5%
Escondido	51.8%	38.7%	4.5%	2.0%	3.0%
Oceanside	53.6%	30.2%	6.5%	5.9%	3.8%
Poway	77.2%	10.4%	7.6%	1.6%	3.2%
San Marcos	53.9%	36.9%	4.8%	1.9%	2.5%
Vista	49.9%	38.9%	4.2%	3.9%	3.1%
San Diego County	55.0%	26.7%	9.1%	5.5%	3.7%

Source: Census, 2000.

B. Employment Characteristics

Employment has an important impact on housing needs. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford. In some cases, the types of the jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses, and large amounts of seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

Occupation and Wage Scale

As of 2000, the two largest occupational categories for City residents were Managerial/Professional and Sales/Office occupations (**Table 2-5**). These categories accounted for more than 77 percent of occupations held by Carlsbad residents, while these occupations comprised less than 65 percent of jobs held by San Diego County residents.

Management occupations are the highest paid occupations in the San Diego region, while food preparation, service-related, and sales occupations are the lowest paid (**Table 2-6**). The high proportion of Managerial/Professional occupations accounts for Carlsbad's relatively high median household income.

**Table 2-5
Employment Profile**

Occupations of Residents	Carlsbad		San Diego County	
	#	%	#	%
Managerial/Professional	19,079	49.2%	467,386	37.7%
Sales/Office	10,830	27.9%	337,603	27.2%
Service	4,544	11.7%	199,384	16.1%
Production/Transportation/Material Moving	2,052	5.3%	122,933	9.9%
Construction/Extraction/Maintenance	2,157	5.6%	107,450	8.7%
Farming/Forestry/Fishing	101	<1%	6,502	<1%
Total¹	38,763	100%	1,241,258	100%

Source: Census, 2000.

Note 1: Civilian population 16 years and over.

**Table 2-6
Average Yearly Salary by Occupation
San Diego County MSA, 2004**

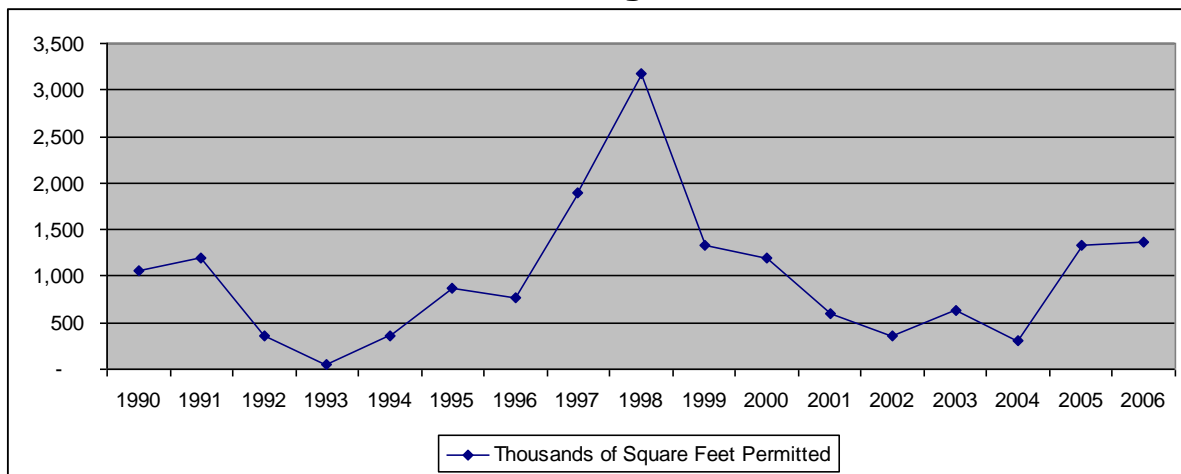
Occupations	Average Salary
Management	\$94,334
Legal	\$90,511
Computer and Mathematical	\$69,224
Architecture and Engineering	\$66,630
Healthcare Practitioners and Technical	\$63,433
Life, Physical and Social Science	\$58,929
Business and Financial Operations	\$54,657
Arts, Design, Entertainment, Sports and Media	\$46,837
Education, Training and Library	\$46,072
Construction and Extraction	\$40,286
Protective Service	\$40,023
Median	\$39,149
Installation, Maintenance and Repair	\$39,126
Community and Social Service	\$38,883
Sales	\$34,541
Office and Administrative Support	\$30,000
Production	\$25,884
Transportation and Material Moving	\$25,884
Healthcare Support	\$25,656
Personal Care and Service	\$22,275
Building Grounds Cleanup and Maintenance	\$21,853
Farming, Fishing and Forestry	\$21,108
Food Preparation and Serving Related	\$18,270

Source: State Employment Development Department, 2004

Nonresidential Development Trends

Historical nonresidential development trends in Carlsbad have closely mirrored fluctuations in the national and statewide economies. Still suffering the effects of the national recession, the amount of permitted nonresidential building square footage in Carlsbad was at its lowest point in the early 1990s (**Figure 2-2**). With the stabilization and expansion of the economy in the mid- to late-1990s, nonresidential development also expanded; however, permitted commercial and industrial building square footage dropped significantly ahead of the 2000 recession and remained at a relatively low level until 2005, when industrial activity again began to increase.

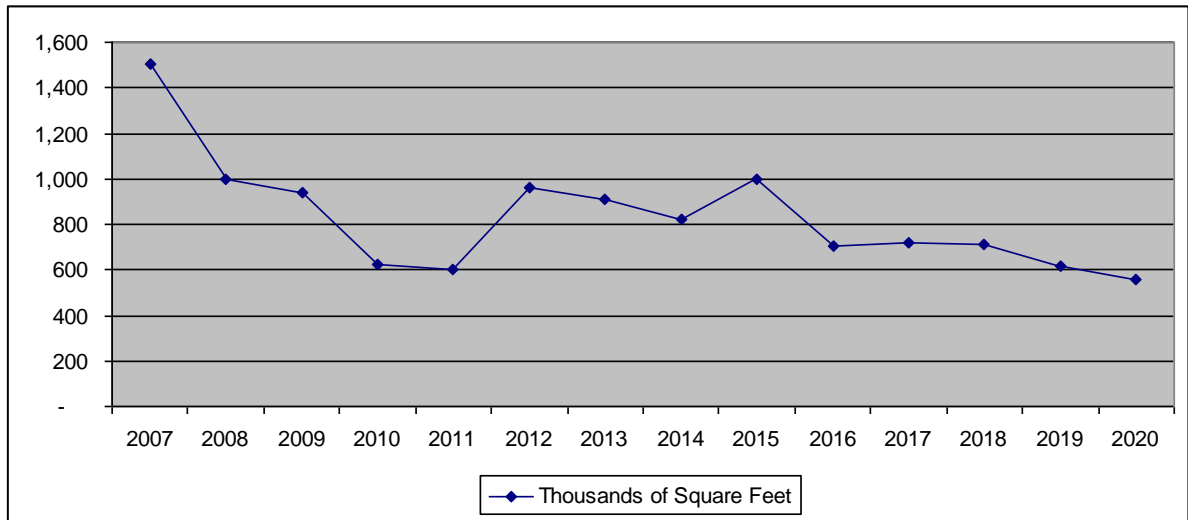
Figure 2-2
Permitted Nonresidential Square Footage
1990 through 2006



Source: City of Carlsbad, 2007.

With the economic recovery since 2000, the City has several nonresidential development projects under construction as shown in the figure above and in **Figure 2-3**. Because nonresidential development is highly sensitive to economic fluctuations, predicting development long-term is problematic. Nevertheless, the City's land inventory is finite and according to the City's General Plan, the City's nonresidential land will be largely built out by 2020. In the near-term (through 2010 - 2015), the City anticipates a significant spike in nonresidential development. The housing demand associated with employment growth is also expected to increase.

Figure 2-3
Projected Nonresidential Square Footage
2007 through 2020



Source: City of Carlsbad, 2007.

C. Household Characteristics

Household Type

The U.S. Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Information on household characteristics is important to understanding the growth and changing needs of a community. A family-oriented community may need large housing units, while a community with many single or elderly households may need smaller units.

As shown in **Table 2-7**, roughly 24 percent of the City's households in 2000 were comprised of married families with children, 30 percent were families without children, 12 percent were other families, and 34 percent were non-family households. Among the non-family households, almost three-quarters were single-households and one-quarter were elderly living alone. As a result, the City had a relatively low average household size of 2.46 in 2000 (declined slightly from 2.47 in 1990. Countywide, the average household size was 2.73 in 2000.

Table 2-7
Household Characteristics

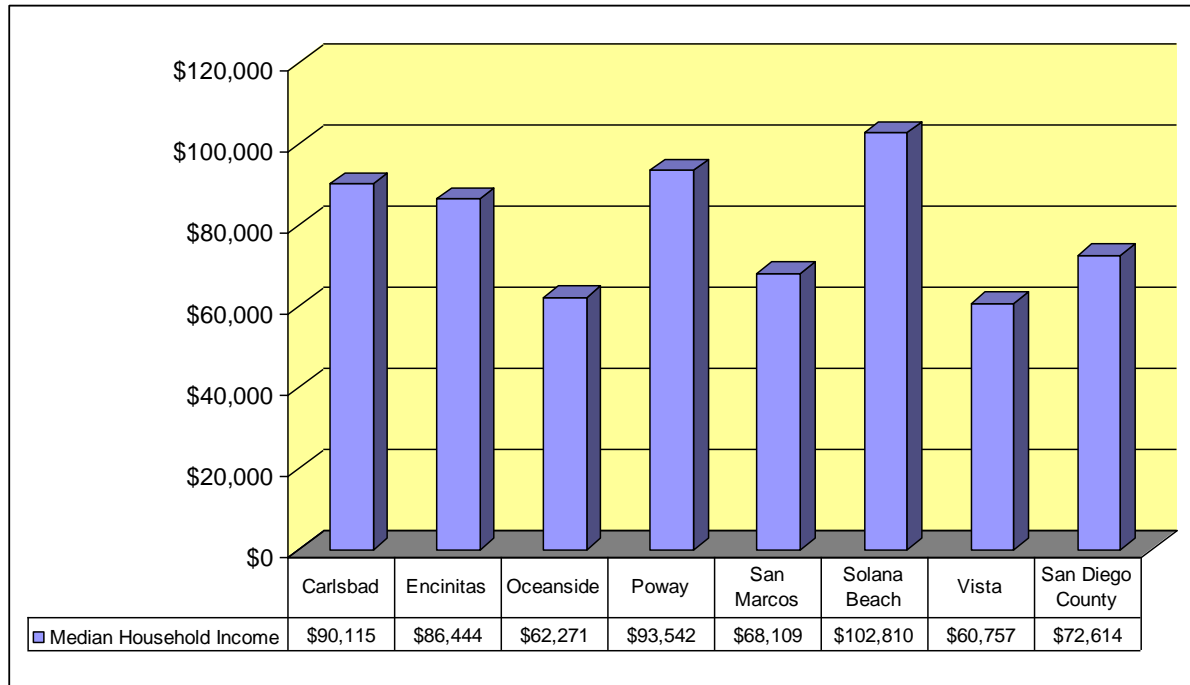
Household Type	1990		2000		% Change
	#	%	#	%	
Households	24,995	100.0%	31,521	100.0%	--
Family Households	16,797	67.2%	20,894	66.2%	-1%
- Married With Children	5,788	23.2%	7,562	23.9%	+1%
- Married No Children	8,127	32.5%	9,567	30.4%	-3%
- Other Families	2,892	11.6%	3,765	11.9%	--
Non-Family Households	8,198	32.8%	10,627	33.7%	+1%
- Singles	5,807	23.2%	7,830	24.8%	+2%
- Singles 65+	1,884	7.6%	2,575	8.2%	--
Average Household Size	2.47		2.46		-<1%

Source: Census, 1990 and 2000.

Household Income

Income is the most important factor affecting housing opportunities, determining the ability of households to balance housing costs with other basic necessities. SANDAG estimates as of 2007 show that the median household income in Carlsbad in 2006 was \$90,115. Among the surrounding jurisdictions, this median income was only lower than that for the surrounding Solana Beach and Poway and higher than that for Encinitas, Oceanside, San Marcos, San Diego County, and Vista (**Figure 2-4**).

Figure 2-4
Estimated Median Household Income: 2006



Source: SANDAG, 2007.

For purposes of the Housing Element and other State housing programs, the Department of Housing and Community Development (HCD) has established five income categories based on Area Median Income (AMI) of a Metropolitan Statistical Area (MSA). The AMI, which is different than the estimated median household incomes shown in Figure 2-4, is applicable to all jurisdictions in San Diego County and changes with the cost of living. For 2006, the AMI for San Diego County is \$64,900, compared to \$63,400 in 2005. The five income categories based on the AMI are:

- Extremely Low Income (0-30 percent AMI)
- Very Low Income (31-50 percent AMI)
- Low Income (51-80 percent AMI)
- Moderate Income (81-120 percent AMI)
- Above Moderate Income (>120 percent AMI)

According to the Comprehensive Housing Affordability Strategy (CHAS) data prepared for HUD by the Census Bureau, 12.7 percent of Carlsbad households earned very low incomes and 12.4 percent of households earned low incomes (**Table 2-8**). Lower (extremely low, very low, and low) income households were evenly split between owner- and renter-households. However, the majority of moderate and above moderate income households were owner-households.

Table 2-8
Household Income by Tenure and Household Type: 2000

Income	Renters			Owners			Total Households
	Elderly	Large Families	Total	Elderly	Large Families	Total	
Extremely Low	0.8%	0.3%	3.4%	1.2%	0.1%	2.6%	5.9%
Very Low	0.8%	0.3%	3.9%	1.5%	0.1%	2.8%	6.7%
Low	1.0%	0.7%	5.7%	3.7%	0.3%	6.6%	12.4%
Moderate/ Above Moderate	1.6%	1.3%	19.7%	12.7%	4.3%	55.3%	75.0%
Total	4.2%	2.6%	32.7%	19.0%	4.8%	67.3%	100.0%

Note: Data based on sample Census data (Summary File 3) and therefore total household figures may differ from the 100% count (Summary File 1).

Source: Comprehensive Housing Affordability Strategy (CHAS), HUD, January 2006.

Special Needs Households

Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, and disability status among others. In Carlsbad, persons and families with special needs include seniors, persons with disabilities, large households, single-parent families, homeless, farmworkers, students, and military personnel. **Table 2-9** summarizes the presence of special needs groups in the City and the following discussion summarizes their housing needs.

Table 2-9
Special Needs Groups in Carlsbad

Special Needs Groups	Number	Percent
Seniors ⁽¹⁾	10,980	14.0%
Disabled Persons ⁽²⁾	9,913	12.7%
Large Households ⁽³⁾	2,372	7.5%
Single Parent Households ⁽³⁾	2,330	7.4%
Homeless Persons ⁽⁴⁾	245	<1%
Farmworkers ⁽⁵⁾	101	<1%
Students ⁽⁶⁾	5,100	25.3%
Military ⁽⁵⁾	585	<1%

Source: Census, 2000; and Regional Task Force on the Homeless, 2004.

1. Percentage of population in 2000.

2. Percentage of population in 2000.

3. Percentage of households in 2000.

4. Percentage of population in 2004.

5. Percent of employed workforce 16 years & older in 2000.

6. Percent of population 3 years & older enrolled in college or graduate school.

Senior Households

Senior households have special housing needs due to three concerns – income, health care costs, and disabilities. According to the Census, 10,980 seniors (aged 65 and up) resided in the City in 2000 and 6,707 households were headed by seniors. Among the senior-headed households, 82.4 percent were owners and 17.6 percent were renters. The Census reported that seniors between 65 and 74 earned a median income of \$45,708, while the median income of seniors over age 74 was \$36,348. Nearly 30 percent of the senior population also experiences one or more disabilities.

Carlsbad is a popular retirement community, which includes facilities that provide assisted living, nursing and special care, and general services to seniors. As of September 2004, Carlsbad had 1,533 beds within 25 licensed senior residential care facilities. Almost 94 percent of these beds were provided in 9 complexes with more than 6 beds. In 1999, the City purchased Tyler Court, a 75-unit apartment complex that provides affordable housing for lower-income seniors.

Persons with Disabilities

Disabled persons have special housing needs because of their often fixed and limited income, lack of accessible and affordable housing, and the medical costs associated with their disabilities. The Census defines a “disability” as “a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.”

According to the Census, 9,913 persons with one or more disabilities resided in Carlsbad in 2000, representing 12.7 percent of the City’s residents over five years of age. Of the population with disabilities, 3,208 (32.4 percent) were seniors.

For those of working age, disabilities can also restrict the type of work performed and income earned. As a result, nearly 9 percent of persons with disabilities in Carlsbad earned incomes below the poverty level in 1999.¹ Among the reported disabilities, the most common were disabilities that prevented residents from working (26.8 percent), with physical disabilities being the second most prevalent disability tallied (21.2 percent).

¹ The Census uses a set of money income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being “below the poverty level. For a family of four, the poverty threshold in 1999 for the 2000 Census was \$17,029.

Large Households

Large households are defined as households with five or more members in the unit. Large households comprise a special needs group because of their need for larger units, which are often in limited supply and therefore command higher rents. In order to save for the necessities of food, clothing, and medical care, it is common for lower income large households to reside in smaller units, frequently resulting in overcrowding. In 2000, 7.5 percent of Carlsbad households had five or more members. Of the 2,372 large households, 66.1 percent were owners and 33.9 percent were renters.

Although renter-households had a smaller average household size compared to owner-households (2.34 versus 2.51 persons per household), overcrowding disproportionately affected renter-households according to the 2000 Census. Approximately ten percent of renter-households lived in overcrowded housing units compared to one percent of owner-households.

Overcrowded living conditions in Carlsbad are due primarily to a lack of adequately sized rental housing units. In 2000, the City's housing stock included 18,299 units with three or more bedrooms. A three-bedroom unit is typically considered adequately sized for large households. Among these large units, 15,808 were owner-occupied and 2,493 were renter-occupied. In addition to size and availability, affordability is another issue. As indicated in the later section, *Housing Costs and Affordability*, large households with lower incomes would have difficulty securing adequately sized and affordable housing units in Carlsbad.

Single-Parent Households

Carlsbad was home to 2,119 single-parent households with children under age 18 in 2000. Of these, 1,572 (74 percent) were female-headed families with children. Single-parent households, in particular female-headed families, often require special assistance such as accessible day care, health care, and other supportive services. Because of their low income and higher family expenses, 16.3 percent of all single-parent households and 19.0 percent of female-headed households with children lived in poverty in 2000.

Homeless

HUD defines a person as homeless if he/she is not imprisoned and:

- 1) Lacks a fixed, regular, and adequate nighttime residence;
- 2) The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
- 3) The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
- 4) The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

Assessing a region's homeless population is difficult because of the transient nature of the population. San Diego County's leading authority on the region's homeless population is the Regional Task Force on the Homeless (RTFH, Inc.). Based on information provided by individual jurisdictions, the majority of the region's homeless is concentrated in the urban areas, but a sizeable number of homeless persons make their temporary residence in rural areas (**Table 2-10**). Rural homeless tend to be migrant farmworkers and day laborers. RTFH estimated 245 homeless persons in Carlsbad, including 172 farmworkers/day laborers. Among the homeless, the majority (77 percent) were unsheltered.

In the North County area, the majority of homeless persons congregate in the cities of Oceanside and Escondido. This is reflected in the number of shelters and service agencies in those communities (**Table 2-11**). However, several transitional housing facilities and service agencies are located in Carlsbad.

**Table 2-10
Homeless Population by Jurisdiction: 2004**

	Total Homeless			Total Unsheltered			Unsheltered*
	Urban	Farm Workers/ Day Laborers	Total	Urban	Farm Workers/ Day Laborers	Total	
Carlsbad	73	172	245	52	137	189	77.1%
Encinitas	59	125	184	24	125	149	80.9%
Escondido	762	250	1,012	228	250	478	47.2%
Oceanside	788	310	1,098	566	310	876	79.8%
San Marcos	30	175	205	30	175	205	100.0%
San Diego City	4,258	200	4,458	2,239	200	2,439	54.7%
Solana Beach	17	0	17	17	0	17	100.0%
Vista	334	0	334	44	0	44	13.2%
San Diego County	7,323	2,344	9,667	3,901	2,309	6,210	64.2%

Source: San Diego Regional Task Force on the Homeless, 2004

Note:

*Based upon the number of shelter beds available each night.

**Table 2-11
Homeless Shelters and Services
North San Diego County**

Name	Agency	Target Population	Special Needs	Location	# Beds¹
<i>Emergency Shelters</i>					
Good Samaritan Shelter	Brother Benno's Foundation	Adult men	Employment -related	Oceanside	30
House of Martha and Mary	Brother Benno's Foundation	Women, women w/ children	Homeless	Oceanside	6
Libre!	Community Resource Center	Women, women w/ children	Domestic violence	Encinitas	11
North County Detox	M.I.T.E.	Adults	Substance abuse	Oceanside	n.a.
Turning Point Crisis Center	Community Research Fund	Adults	Severely mentally ill	Oceanside	n.a.
Women's Resource Center	Women's Resource Center	Women, women w/ children	Domestic violence	Oceanside	26
<i>Transitional Shelters</i>					
Brother Benno's Recovery	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
House of Dorothy	Brother Benno's Foundation	Women	Substance abuse	Carlsbad	6
Casa Raphael	Alpha Project for the Homeless	Adult men	Homeless	Vista	n.a.
Centro	Community Housing of N.C.	Families	Homeless	Vista	n.a.
Family Recovery Center	E.Y.E.	Women w/ children	Substance abuse	Oceanside	90
Hogar II	Community Housing of N.C.	Families	Farm and/or day laborers	Carlsbad/ Oceanside/ Vista	n.a.
House of James and John	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
La Posada de Guadalupe	Catholic Charities	Adult men	Homeless	Carlsbad	50/75 ²
Oz North Coast	Y.M.C.A.	Homeless youth	Homeless	Oceanside	n.a.
Transition House	Women's Resource Center	Families	Homeless	Oceanside	17
Transitional House	E.Y.E.	Families	Homeless	Oceanside	25
Transitional House Program	Community Resource Center	Families	Homeless	Encinitas	12
Tremont Street	Community Housing of N.C.	Homeless	HIV/AIDS	Oceanside	n.a.
<i>Day Shelters</i>					
Brother Benno's Center	Brother Benno's Foundation	General	Homeless	Oceanside	--
N.C. Regional Recovery Center	M.I.T.E.	General	SMI and substance abuse	Oceanside	--
N.C. Safe Havens Project	Episcopal Comm. Services	Adults	SMI and substance abuse	Oceanside	--
Options – Day Treatment	E.Y.E.	Families	Substance abuse	Oceanside	--

**Table 2-11
Homeless Shelters and Services
North San Diego County**

Name	Agency	Target Population	Special Needs	Location	# Beds¹
<i>Social Services</i>					
Case Management Agency	North Coastal Service Center	General	Homeless	Oceanside	--
Infoline	United Way	General	Homeless	North County	--
Lifeline	Lifeline Community Services	General	Homeless	Vista	--
Oceanside Family Services	Salvation Army	General	Homeless	Oceanside	--
Social Services	Community Resources Center	General	Homeless	Carlsbad/Encinitas	--

n.a. = Not Available

Source: San Diego Regional Task Force on the Homeless, 2004; and City of Carlsbad, 2004.

Notes:

¹Based upon the number of shelter beds available each night.

²Number of shelter beds increases from 50 to 75 during winter months.

Farmworkers

According to the San Diego County Department of Agriculture, Carlsbad had approximately 504 acres of land in agricultural use in 2004. This information is based on a list of active farm areas for which a pesticide permit was issued.

The U.S. Department of Health and Human Services determined that there were 19,719 farmworkers in San Diego County in 2000, of which 46 percent were migrant farmworkers and 54 percent were seasonal laborers.² No comparable statistics were available for the City of Carlsbad. According to the Census, only 101 persons were employed in the farming, forestry, and fishing occupations in 2000. However, the Census likely underestimated the true number of farm workers in Carlsbad due to the seasonal nature of the employment, the use of migrant laborers, and the significant level of under-reporting among undocumented persons. As shown in Table 2-10, 172 of the City's homeless persons in 2004 were either farmworkers or day laborers and 137 of these farmworkers were unsheltered.

Although there is little consensus on the number of farmworkers working or living in Carlsbad, farm workers are indeed a special need group due to their extremely low incomes. According to the California Economic Development Department, persons employed in farming, forestry, and fishing occupations in San Diego County earned approximately \$20,994 in 2004. Specifically, farmworkers and laborers earned approximately \$18,898, much lower than the median income in the County.

² "Migrant and Seasonal Farmworker Enumeration Profiles Study – California." Bureau of Primary Health Care, Health Resources and Services Administration, Department of Health and Human Services, 2000.

Housing Needs Assessment

In December 2003, the Carlsbad City Council unanimously approved concept plans for a 64-bed temporary farm worker shelter on agricultural land, part of which was within SDG&E right-of-way. However, SDG&E ultimately denied use of their land for the project.

In 2008, the City Council approved \$2 million in funding to rebuild and expand the City's existing homeless/farmworker shelter, La Posada de Guadalupe. The expansion would provide 50 to 72 beds for farmworkers in addition to the 50 beds the shelter now provides. More information about this project and the funding may be found in Section 3 B., Financial Resources.

Students

Typically, students have low incomes and therefore can be impacted by a lack of affordable housing, which can often lead to overcrowding within this special needs group.

Carlsbad is located in proximity to California State University at San Marcos, Mira Costa Community College, and Palomar Community College. In addition, the University of California at San Diego is located approximately 20 miles to the south and the private University of San Diego as well as the region's largest University, San Diego State University, are located within a 30-minute drive from Carlsbad. As a result, slightly over 24 percent of Carlsbad residents were enrolled in a college or graduate school in 2000.

Military

The U.S. Marine Corps Camp Pendleton is located within five miles north of Carlsbad, adjacent to the City of Oceanside. As a result, there is demand for housing for military personnel within the Carlsbad. This demand has two components: active military personnel seeking housing near the base, and retired military remaining near the base after serving. Most enlisted military individuals earn incomes at the lower range of the military pay scale and need affordable housing options. As of July, 2004 Camp Pendleton had approximately 6,540 housing units on base, with an additional 400 units under construction. However, the waiting list for on-base housing ranges from one month to 18 months, depending on rank, the number of bedrooms requested and various other factors.³

In 2000, the Census reported that 585 active duty military personnel living in Carlsbad. Although proximity to the base makes Carlsbad a desirable place to reside for all military ranks, high housing costs may explain the relatively low number of military personnel residing in the City.

³ Marinelli, Lisa. 2004. "Military Housing at a Glance." *San Diego Union Tribune*. July 25, 2004. Retrieved on October 9, 2004 from http://www.signonsandiego.com/uniontrib/20040725/news_1hs25milside.html.

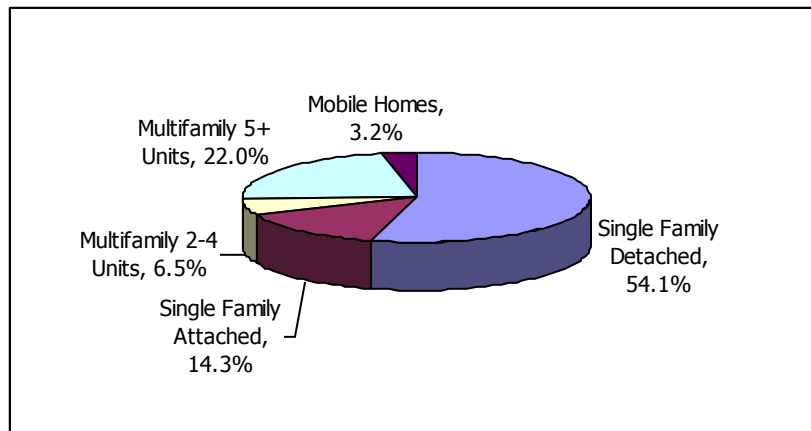
D. Housing Characteristics

Housing Type

According to the California Department of Finance, Carlsbad had 40,307 housing units as of January 1, 2005. Among these units, the large majority (68.4 percent) were single-family, with 54.1 percent consisting of single-family detached units and 14.3 percent single-family attached units (**Figure 2-5**). Multi-family dwelling units comprised 28.5 percent of the City's housing stock in 2005 and the remaining 3.2 percent were mobile homes.

Between 1990 and 2005, the housing stock in Carlsbad increased 48 percent. Much of that increase was due to the significant increase in single-family detached units. Since 1990, the proportion of single-family dwelling units (detached and attached) in the City increased but the proportion of multi-family units and mobile homes decreased (**Table 2-12**).

**Figure 2-5
Housing Types: 2005**



Source: Department of Finance, 2005.

**Table 2-12
Housing Unit Type: 1990 and 2005**

Housing Unit Type	1990		2005	
	#	%	#	%
Single Family Detached	12,318	45.2%	21,794	54.1%
Single Family Attached	5,165	18.9%	5,766	14.3%
Multifamily 2-4 units	1,643	6.0%	2,604	6.5%
Multifamily 5+ units	6,593	24.2%	8,852	22.0%
Mobile Homes/Other	1,516	5.6%	1,291	3.2%
Total	27,235	100.0%	40,307	100.0%

Source: Census, 1990; and Department of Finance, 2005.

Housing Tenure

From 1990 to 2000, the tenure distribution (owner versus renter) in Carlsbad shifted slightly toward ownership. By definition, a household is an occupied housing unit. According to the 1990 Census, among the occupied housing units, 62.2 percent were owner-occupied and 37.8 percent were renter-occupied. By 2000, the proportion of renter-households declined to 32.6 percent, while the proportion of homeowners increased to 67.4 percent. In 2000, Carlsbad's homeownership rate was higher than the average homeownership rate of the County, where only 55.4 percent of the households were owner-occupied.

Housing Vacancy

A vacancy rate is often a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 5 to 6 percent for rental housing and 1.5 to 2.0 percent for ownership housing are generally considered a balance between the demand and supply for housing. A higher vacancy rate may indicate an excess supply of units and therefore price depreciation, while a low vacancy rate may indicate a shortage of units and resulting escalation of housing prices.

While the overall vacancy rates in the City were 8.2 percent in 1990 and 6.6 percent in 2000, the true vacancy rates were substantially lower (**Table 2-13**). Due to its desirable location and the various amenities offered in the City, a portion of the housing stock in the City has always been used as second and vacation homes (about 2.7 percent). These units were not available for sale or for rent. Of those units available, the for-sale vacancy rate was 1.3 percent in 2000, virtually unchanged from 1990. However, the rental vacancy rate was 1.4 percent, representing a 1.5-percentage points decline from 1990. Therefore, for-sale and for-rent vacancy rates in Carlsbad were suboptimal, and indicated a demand for housing, especially rental housing.

Table 2-13
Housing Vacancy: 1990 and 2000

Vacancy	1990 Census		2000 Census		Percentage Points Change
	#	%	#	%	
For Rent	793	2.9%	486	1.4%	-1.5%
For Sale	386	1.4%	469	1.3%	-0.1%
Seasonal/Recreational Use	734	2.7%	903	2.7%	0.0%
Other Vacant*	327	1.2%	373	1.1%	-0.1%
Overall Vacancy	2,240	8.2%	2,231	6.6%	-1.6%

Source: Census, 1990 and 2000.

Note:

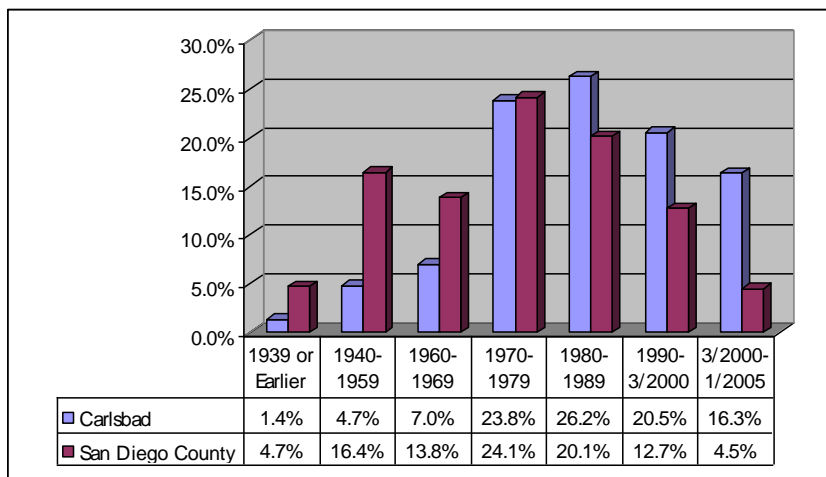
* Includes units that are rented or sold but not occupied, and vacant for other reasons, such as abandoned homes.

Housing Age and Condition

Housing age and condition affect the quality of life in Carlsbad. Like any other tangible asset, housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, thereby depressing neighboring property values, and eventually affecting the quality of life in a neighborhood.

Carlsbad's housing stock is much newer on average compared to the County's housing stock (**Figure 2-6**). Although the City incorporated more than 50 years ago, the majority of the housing in Carlsbad is relatively new, with only a small portion of the housing stock over 30 years old (approximately 15 to 20 percent). The majority (63 percent) of the City's housing stock was constructed after 1980, including 16.3 percent that was constructed after 2000. In comparison, nearly two-thirds of the County's housing stock was constructed prior to 1980.

**Figure 2-6
Year Structure Built**



Source: Census, 2000; and Department of Finance, 2005.

Most homes require greater maintenance as they approach 30 years of age. Common repairs needed include a new roof, wall plaster, and stucco. Using the 30-year measure, approximately 6,000 to 8,000 units are in need of repair or rehabilitation. Housing units aged more than 30 years are primarily concentrated in Carlsbad's Village area, the majority are located within the Redevelopment Project Area.

Homes older than 50 years require more substantial repairs, such as new siding, or plumbing, in order to maintain the quality of the structure. Approximately 1,000 units are older than 50 years. The Census Bureau provides limited estimates of substandard housing in Carlsbad, including 66 units with incomplete plumbing, 300 units without heat, and 174 units without a complete kitchen. According to the City's Building Department, an estimated ten housing units in the City are in dilapidated conditions and in need of replacement.

Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden (overpayment) and overcrowding. This section summarizes the cost and affordability of the housing stock to Carlsbad residents.

Homeownership Market

Prices for single-family homes and condominiums in Carlsbad from September 1, 2003 through August 31, 2004 were collected from the DataQuick real estate database.⁴ According to DataQuick, 2,583 homes and condominiums were sold during the examined time period (**Table 2-14**). Among these homes and condominiums, the median sale price was \$565,000, with a range of \$100,000 (possibly a partial sale) to \$2,625,000.

Table 2-14
Home and Condominium Sales
September 1, 2003 through August 31, 2004

Unit Type	# Sold	Range	Median Sale Value
Home	1,544	\$120,000 to \$2,625,000	\$694,250
1 Bedroom	5	\$310,000 to \$550,000	\$379,000
2 Bedroom	113	\$120,000 to \$1,750,000	\$500,000
3 Bedroom	473	\$161,860 to \$2,625,000	\$623,500
4 Bedroom	644	\$217,500 to \$2,550,000	\$711,250
5 Bedroom	309	\$130,000 to \$2,625,000	\$835,000
Condominium	1,039	\$100,000 to \$1,190,000	\$395,000
1 Bedroom	122	\$181,000 to \$504,000	\$285,000
2 Bedroom	563	\$136,000 to \$1,150,000	\$380,000
3 Bedroom	292	\$100,000 to \$1,190,000	\$426,500
4 Bedroom	62	\$325,000 to \$1,190,000	\$560,000
Total	2,583	\$100,000 to \$2,625,000	\$565,000

Source: DataQuick, August 2004.

Note: 342 records were excluded from this analysis. Either these records: did not provide the sale price [288]; did not include number of bedrooms information [31]; did not include sale date [2]; or were likely partial sales due to extraordinarily low sale prices (under \$65,000) [21].

Over 1,500 single-family homes were sold in Carlsbad during this time period. Based on information available, the median sale price of these homes was \$694,250, with a range \$120,000 (possibly a partial sale) to \$2,625,000. The

⁴ DataQuick is a company that assembles real estate data from the County Assessor's records.

median sale value for these homes increased with unit size, from \$379,000 for a one-bedroom unit to \$835,000 for a unit with five bedrooms.

Prices for condominiums were significantly lower than prices for single-family homes in Carlsbad. Among the 1,039 condominiums sold, the median sales price was \$395,000 with a range of \$100,000 (possibly a partial sale) to \$1,190,000. As with home sales, the median price of these condominiums increased with unit size. The median price of a one-bedroom condominium unit was \$285,000, while the median price of a unit with four bedrooms was \$565,000.

The California Association of Realtors publishes median home prices (including single-family homes and condominium units) for areas throughout California. Between the first quarter of 2003 and October 2006, the median home price in Carlsbad increased 32.4 percent to \$635,000 (**Table 2-15**). With the exception of Encinitas, the median price in Carlsbad was higher than the median sale prices of other North County cities. In recent months, however, home prices in the San Diego region have decreased. Specifically, the cities of Carlsbad and Poway experienced the largest percentage decreases between 2005 and 2006.

Table 2-15
Median Home Prices: 2003-2006

	First Quarter 2003	First Quarter 2004	October 2005	October 2006	Change 2003- 2006	Change 2005- 2006
Carlsbad	\$479,500	\$550,000	\$701,500	\$635,000	32.4%	-9.5%
Encinitas	\$540,000	\$631,000	\$789,500	\$750,000	38.9%	-5.0%
Escondido	\$317,000	\$380,000	\$489,000	\$460,000	45.1%	-5.9%
Oceanside	\$306,500	\$385,000	\$487,750	\$484,000	57.9%	-0.8%
Poway	\$365,000	\$525,000	\$590,000	\$535,000	46.6%	-9.3%
San Marcos	\$399,000	\$420,000	\$556,500	\$550,000	37.8%	-1.2%
Solana Beach	n/a	n/a	n/a	n/a	n/a	n/a
Vista	\$321,000	\$385,000	\$507,500	\$487,500	51.9%	-3.9%
San Diego County	\$355,000	\$420,000	\$517,500	\$500,000	40.8%	-3.4%

Note: The California Association of Realtors changed the format of reporting in 2006; monthly instead of quarterly reports are now published.

Source: California Association of Realtors, 2007

Rental Market

Internet resources were consulted to understand the rental housing market in Carlsbad (**Table 2-16**). Websites were searched in January 2006 and rental price information was collected for ten apartment complexes within the City. In January 2006, rents for studio apartments ranged from \$875 to \$1,095 per month, while one-bedroom units rented for \$1,025 to \$1,630. Larger units were slightly more expensive; two-bedroom units were offered at rents ranging from

\$1,170 to \$1,970, while three-bedroom units ranged from \$1,750 to \$2,415 per month. It should be noted that these rental rates were derived from units in large apartment complexes that are often managed by management companies. As such, these units generally command higher rents than units in older and smaller complexes.

Table 2-16
Apartment Rental Rates:
January 2006

<i>Apartment Complex</i>	<i>Rental Price Range</i>
Studio	\$875 – \$1,095
1-bedroom	\$1,025 – \$1,630
2-bedroom	\$1,170 – \$1,970
3-bedroom	\$1,750 – \$2,415

Source: Apartments.com, Realtor.com, and rentnet.com, January 2006.

According to a survey conducted by RealFacts, a firm that specializes in rental market analysis, apartment rents in the North County area were increasing modestly and occupancy rates were hovering around 95 percent.⁵ Both factors have kept the market stable. According to the survey, rent increases in the North County area ranged from two to five percent between September 2004 and September 2005. Oceanside had the highest increase at five percent and Poway had the lowest increase at two percent.

Housing Affordability by Household Income

Housing affordability can be inferred by comparing the cost of renting or owning a home in the City with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents of San Diego County are shown in **Table 2-17**.

⁵ Bradley J. Fikes, North County Times, October 19, 2005.

Table 2-17
Housing Affordability Matrix: San Diego County - 2006

Income Group and Household Size	Income Levels		Housing Costs		Maximum Affordable Price	
	Annual Income	Affordable Payment	Utilities	Taxes & Ins.	Home	Rental
Extremely Low						
One-Person	\$14,500	\$363	\$50	\$100	\$35,489	\$313
Two-Person	\$18,650	\$466	\$75	\$125	\$44,466	\$391
Four-Person	\$20,700	\$518	\$100	\$150	\$49,574	\$418
Five-Person	\$22,350	\$559	\$100	\$150	\$51,564	\$459
Very Low						
One-Person	\$24,150	\$604	\$50	\$125	\$71,605	\$554
Two-Person	\$31,050	\$776	\$100	\$150	\$87,888	\$676
Four-Person	\$34,500	\$863	\$150	\$175	\$99,612	\$713
Five-Person	\$37,250	\$931	\$150	\$175	\$101,249	\$781
Low						
One-Person	\$38,650	\$966	\$75	\$175	\$119,620	\$891
Two-Person	\$49,700	\$1,243	\$125	\$200	\$153,230	\$1,118
Four-Person	\$55,200	\$1,380	\$200	\$225	\$176,984	\$1,180
Five-Person	\$59,600	\$1,490	\$200	\$225	\$177,864	\$1,290
Moderate						
One-Person	\$54,500	\$1,363	\$100	\$225	\$173,271	\$1,263
Two-Person	\$70,100	\$1,753	\$175	\$275	\$217,528	\$1,578
Four-Person	\$77,900	\$1,948	\$250	\$325	\$254,357	\$1,698
Five-Person	\$84,100	\$2,103	\$250	\$325	\$255,105	\$1,853

Notes:

1. 2006 Area Median Income (AMI) = \$64,900
2. Utility costs for renters assumed at \$75/\$125/\$200 per month
3. Monthly affordable rent based on payments of no more than 30% of household income
4. Property taxes and insurance based on averages for the region
5. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6%, 30-year mortgage, and monthly payment of 30% gross household income

The market-affordability of the City's housing stock for each income group is discussed below:

Extremely Low Income Households

Extremely low income households are classified as those earning 30 percent or less of the AMI. This group usually includes seniors, homeless, persons with disabilities, farmworkers, and those in the workforce making minimum wages. Based on the rental data presented in **Table 2-16** and maximum affordable rental payment in **Table 2-17**, extremely low income households of all sizes would be unlikely to secure adequately sized and affordable rental or ownership housing in Carlsbad (**Table 2-14**).

Very Low Income Households

Very low income households are classified as those earning between 31 and 50 percent of the AMI. Based on the rental data presented in **Table 2-16** and maximum affordable rental payment in **Table 2-17**, very low income households of all sizes would be unlikely to secure adequately sized and affordable rental housing in Carlsbad. Similarly, real estate data also indicated that very low income households in Carlsbad could not afford the price of any adequately sized home in the City (**Table 2-14**).

Low Income Households

Low income households earn 51 to 80 percent of the AMI. Based on the sales data provided by DataQuick, low income households would have a similar problem as very low income households in purchasing adequately sized and affordable housing, either single-family homes or condominiums (**Table 2-14**). Low income households have a better chance of securing rental housing in Carlsbad than very low income households. However, advertised rental rates for three-bedroom apartments were outside the affordable price range for low income households, indicating that securing adequately sized and affordable rental housing may be very difficult for larger low income households in Carlsbad (**Table 2-16**).

Moderate Income Households

Moderate income households are classified as those earning between 81 and 120 percent of the AMI. Based on income-affordability, moderate income households could afford most rental units in the City, except for some larger three-bedroom units. In addition, some smaller condominiums are within the affordable price range of moderate income households.

E. Housing Problems

Overcrowding

Overcrowding is typically defined as more than one person per room.⁶ Severe overcrowding occurs when there is more than 1.5 persons per room. Overcrowding can result when there are not enough adequately sized units within a community, or when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate. Overcrowding also tends to accelerate deterioration of housing and overextend the capacity of infrastructure and facilities designed for the neighborhood.

In 2000, 3.9 percent of Carlsbad households lived in overcrowded conditions (**Table 2-18**). Overcrowding disproportionately affected renters (9.6 percent of

⁶ Based on the Census Bureau's definition of "room," which excludes bathrooms, porches, balconies, foyers, halls, or half-rooms. See 2000 Census Long Form, question #37.

renters versus 1.2 percent of owners), indicating overcrowding may be the result of an inadequate supply of larger-sized and affordable rental units. Specifically, more than half of the overcrowded renter-households were considered as severely overcrowded.

While 57.3 percent of occupied housing units in the City had more than three bedrooms (the minimum size considered large enough to avoid most overcrowding issues among large households), only a small portion of these units (21.2 percent) were occupied by renters.

Table 2-18
Overcrowding Conditions: 2000

	Owner-Occupied	Renter-Occupied	Total
Occupied Units	21,201	10,285	31,486
Overcrowded Units (> 1 person/room)	254	986	1,240
% Overcrowded	1.2%	9.6%	3.9%
Severely Overcrowded Units (>1.5 persons/room)	89	578	667
% Severely Overcrowded	0.4%	5.6%	2.1%

Source: U.S. Census, 2000.

Overpayment

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross income on housing. Severe housing cost burden occurs when a household pays more than 50 percent of its income on housing. The prevalence of overpayment varies significantly by income, tenure, household type, and household size. The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households. Detailed CHAS data based on the 2000 Census is displayed in **Table 2-19**.

In 2000, 33 percent of the households overpaid for housing, including 14 percent that had a severe housing cost burden. In general, overpayment issues affected a larger proportion of renter-households (45 percent) than owner-households (31 percent). Lower income family-households that rented were disproportionately impacted by housing overpayment. Approximately 96 percent of the large family-renters and 80 percent of the small family-renters in the extremely low income category experienced housing overpayment in 2000. A large proportion of lower income elderly renters also overpaid for housing.

Table 2-19
Housing Assistance Needs of Lower Income Households

Household by Type, Income & Housing Problem	Renters				Owners		Total Households
	Seniors	Small Families	Large Families	Total Renters	Seniors	Total Owners	
Extremely Low Income (0-30% AMI)	238	274	89	1,061	384	810	1,871
% with any housing problem	83%	91%	96%	81%	76%	77%	79%
% with cost burden >30%	71%	80%	96%	74%	77%	77%	75%
% with cost burden > 50%	64%	76%	73%	67%	66%	70%	68%
Very Low Income (31-50% AMI)	273	413	107	1,223	474	893	2,116
% with any housing problem	87%	89%	96%	90%	55%	72%	82%
% with cost burden >30%	84%	86%	64%	85%	55%	72%	80%
% with cost burden > 50%	64%	52%	32%	58%	34%	57%	58%
Low Income (51-80% AMI)	329	585	214	1,808	1,150	2,080	3,888
% with any housing problem	71%	71%	98%	76%	40%	59%	67%
% with cost burden >30%	71%	60%	30%	63%	40%	59%	61%
% with cost burden > 50%	18%	17%	9%	17%	22%	34%	26%
Total Households	1,334	4,082	805	10,285	5,995	21,196	31,481
% with any housing problem	65%	38%	76%	45%	29%	31%	36%
% with cost burden >30%	60%	32%	34%	38%	32%	30%	33%
% with cost burden > 50%	31%	13%	15%	31%	13%	12%	14%

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), January 2006.

Note: Data based on sample Census data (Summary File 3) and therefore total household figures may differ from the 100% count (Summary File 1).

Projected Housing Needs

According to SANDAG, the City is projected to have 43,087 households by 2010. Based on the CHAS data developed by HUD using 2000 Census information (Table 2-8), the City's income distribution is projected to be:

- Extremely Low Income: 5.9 percent (2,542 households)
- Very Low Income: 6.7 percent (2,887 households)
- Low Income: 12.4 percent (5,343 households)
- Moderate/Above Moderate Income: 75 percent (32,315 households)

The nature and extent of housing needs over the 2005-2010 Housing Element period are expected to reflect the current needs for housing assistance as shown in Table 2-19.

F. Multi-Family Affordable Housing

Developing new affordable housing has become increasingly costly, due to the escalating land values, labor and construction costs, as well as market pressure. Therefore, an important strategy for the City of Carlsbad is to ensure the long-term affordability of existing affordable housing. This section assesses the potential conversion of publicly assisted, affordable rental housing into market-rate housing between July 1, 2005 and June 30, 2010. Projects can be “at-risk” of conversion due to expiration of affordability restrictions or termination of subsidies.

Inventory of Affordable Housing

Through December 31, 2006, Carlsbad had 13 multi-family projects that offer a total of 1,335 units affordable to lower income households via various federal, State, or local programs (**Table 2-20**). The City’s Inclusionary Housing Ordinance is responsible for producing 1,218 of Carlsbad’s affordable housing units in eleven developments. In addition, the City-owned Tyler Court offers 75 affordable units to extremely low and very low income households.

Table 2-20
Inventory of Assisted Rental Housing

Project Name	Quadrant	Total Units	Assisted Units	Restricting Program	Earliest Date of Conversion	# Units At Risk
Laurel Tree 1307 Laurel Tree Lane	Southwest	138	138	Inclusionary Housing	Year 2055	0
La Paloma 1953 Dove Lane	Southeast	180	180	Inclusionary Housing	Year 2060	0
Marbella 2504 Marron Road	Northeast	143	29	Inclusionary Housing	Year 2061	0
Mariposa/Calavera Hills 4651 Red Bluff Place	Northeast	106	106	Inclusionary Housing	Year 2059	0
Pacific View/Kelly Ranch 5162 Whitman Way	Northwest	451	111	Inclusionary Housing	Year 2059	0
Poinsettia Station 6811 Embarcadero Lane	Southwest	92	92	Inclusionary Housing	Year 2055	0
Rancho Carrillo 6053 Paseo Acompo	Southeast	116	116	Inclusionary Housing	Year 2055	0
Sunny Creek 5420 Sunny Creek Road	Northeast	50	50	Inclusionary Housing	Year 2057	0

Table 2-20
Inventory of Assisted Rental Housing

Project Name	Quadrant	Total Units	Assisted Units	Restricting Program	Earliest Date of Conversion	# Units At Risk
Villa Loma 6421 Tobria Terrace	Southwest	344	344	Inclusionary Housing	Year 2051	0
Vista Las Flores 6408 Halyard Place	Southwest	28	28	Inclusionary Housing	Year 2056	0
Tyler Court 3363 Tyler Street	Northwest	75	75	City Owned	If sold, City would require 55-yr restriction on all 75 units	0
The Tradition 1901 Cassia Way	Southwest	157	24	Inclusionary Housing	Year 2060	0
Seascape Village 6938 Seascape Drive	Northwest	208	42	Multifamily Revenue Bonds	1/1/09	42
Total			1,335			42

Source: City of Carlsbad, 2007.

Note: Units restricted through the City's Inclusionary Housing program require 55-year rent restrictions.

At-Risk Status

The City's Inclusionary Housing Ordinance requires that all inclusionary units maintain their affordability for a period of 55 years. Since the units were all constructed after 1990, these units are not considered to be "at risk" of converting to market-rate housing. The Tyler Court senior apartment complex is owned by the City and if sold, would be required to maintain affordability restrictions for 55 years. The only project within the City that may be considered as at risk is Seascape Village, which has deed restrictions on 42 units that are set to expire January 1, 2009.

Preservation Options

Because only 20 percent of the units in Seascape Village are affordable units, preservation of the at-risk units can be achieved in two ways: 1) purchase affordability covenants; and 2) provide rental assistance to tenants.

Affordability Covenant

One option to preserve the affordability of the at-risk units is to provide an incentive package to the owners to maintain the units as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or a lump sum payment.

Rent Subsidy

Rent subsidies could be used to preserve the affordability of the at-risk housing. The level of the subsidy required is estimated to equal the Fair Market Rent (FMR) for a unit minus the housing cost affordable by a very low income household. **Table 2-21** estimates the rent subsidies required to preserve the affordability of the 42 at-risk units. Based on the estimates and assumptions shown in this table, approximately \$207,000 in rent subsidies would be required annually.

Table 2-21
Rent Subsidies Required

Project Units	Seascape Village
1-bedroom	18
2-bedroom	24
Total	42
Total Monthly Rent Income Supported by Affordable Housing Cost of Very Low Income Households	\$28,716
Total Monthly Rent Allowed by Fair Market Rents	\$45,942
Total Annual Subsidies Required	\$206,712

1. A 1-bedroom unit is assumed to be occupied by a 1-person household and a 2-bedroom unit by a 3-person household.
2. Based on 2005 AMI in San Diego County, affordable monthly housing cost for a 1-person very low income household is \$554 and \$781 for a 3-person household (Table 2-17).
3. 2005 Fair Market Rents in San Diego County are \$975 for a 1-bedroom and \$1,183 for a 2-bedroom (<http://www.huduser.org/datasets/FMR/FMR2005F/index.html>).

Replacement Options

Purchase of Similar Units

Only 20 percent of the units in Seascape Village are at risk. An option for replacing these 42 units is to purchase similar units in the City and maintain those units as long-term affordable housing. Using general industry standards, the market value of the at-risk units can be estimated (**Table 2-22**).

Table 2-22
Market Value of At-Risk Housing Units

Project Units	Seascape Village
1-Bedroom	18
2-Bedroom	24
Total	42
Annual Operating Cost	\$166,500
Gross Annual Income	\$718,200
Net Annual Income	\$524,115
Market Value	\$6,551,438

Market value for each project is estimated with the following assumptions:

1. Average market rent for 1-BR is \$1,325, and 2-BR is \$1,500 (Table 2-16).
2. Average bedroom size for 1-BR assumed at 650 square feet and 900 square feet for 2-BR.
3. Vacancy rate = 5%
4. Annual operating expenses per square foot = \$5.0
5. Net annual income = gross annual income – annual operating cost – vacancy adjustments
6. Market value = Annual net project income * multiplication factor
7. Multiplication factor for a building in good/excellent condition (applies to Seascape and Santa Fe) is 12.5.

Construction of Replacement Units

The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Assuming an average subsidy of \$200,000 per unit for multi-family rental housing, replacement of the 42 at-risk units would require approximately \$8,400,000. This cost estimate includes land, construction, permits, on- and off-site improvements, and other costs.

3. Resources Available

This section summarizes the land, financial, and administrative and energy conservation resources available for the development, rehabilitation, and preservation of housing in Carlsbad. The analysis includes: an evaluation of the adequacy of the City's land inventory to accommodate the City's share of regional housing needs for the 2005-2010 planning period; a review of financial resources to support housing activities; a discussion of the administrative resources available to assist in implementing the housing programs contained in this Housing Element; and a description of the requirements and resources Carlsbad has to encourage energy efficient and healthy households.

A. Residential Development Potential

State law requires local jurisdictions to plan their residential land and standards to ensure adequate housing is available to meet the expected population growth in the region. Specifically, a jurisdiction must demonstrate in the Housing Element that its residential land inventory is adequate to accommodate its Regional Housing Needs Assessment (RHNA). This section assesses the adequacy of Carlsbad's vacant and underutilized land inventory in meeting future housing needs.

Future Housing Needs

For the 2005-2010 Housing Element cycle, the State Department of Housing and Community Development (HCD) projected a need for 107,301 new housing units in the San Diego region. The San Diego Association of Governments (SANDAG) is responsible for allocating this future housing need to the 19 jurisdictions within the County. In this capacity, SANDAG developed a Regional Housing Needs Assessment (RHNA) that determines each jurisdiction's "fair share" of the forecasted growth through 2010. Carlsbad's share of the regional housing need for the 2005-2010 period is allocated by SANDAG based on factors such as recent growth trends, income distribution, and capacity for future growth.

The City of Carlsbad was assigned a future housing need of 8,376 units for the 2005-2010 planning period, or 7.8 percent of the overall regional housing need. The City must make available residential sites at appropriate densities and development standards to accommodate these 8,376 units according to the following income distribution:

Resources Available

- Very Low Income:¹ 1,922 units (23.0 percent)
- Low Income: 1,460 units (17.4 percent)
- Moderate Income: 1,583 units (18.9 percent)
- Above Moderate Income: 3,411 units (40.7 percent)

Credits toward RHNA

While the Housing Element is a five-year planning document, the RHNA has a 7.5-year time frame, using January 1, 2003 as the baseline for growth projections. Therefore, housing units constructed since 2003, under construction, or entitled can be credited toward the RHNA for this Housing Element period.

Units Constructed

As part of the City Inclusionary Housing program, a significant number of affordable units have been constructed (or are under construction) since January 1, 2003. Overall, 4,460 new housing units were constructed between January 1, 2003 and December 31, 2006, including 67 second dwelling units. Specifically, among the units constructed, 658 are deed-restricted for lower income use (32 extremely low, 53 very low, and 573 low income units), most as required by the City's Inclusionary Housing program. In addition, 362 moderate income units were built from 2003-2006. Moderate income units built were not deed-restricted and were not required by the Inclusionary Housing program.

Units under Construction

Currently, residential projects totaling 582 units are under construction in Carlsbad. These units are slated for completion in 2007 and 2008. Among the units under construction are 234 inclusionary units (100 very low and 134 low income units).

Units Approved

Several residential development projects have already been approved by the City of Carlsbad. Overall, these projects will add over 1,900 new units to Carlsbad (**Table 3-1**), inclusive of 135 affordable units (18 very low and 117 low income units) as required by the City's Inclusionary Housing program.

¹ Pursuant to new State law (AB 2634), the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units as extremely low. According to the CHAS data developed by HUD using 2000 Census data, 47 percent of the City's very low income households fall within the extremely low income category (see also Table 2-8). Therefore the City's RHNA of 1,922 very low income units may be split into 903 extremely low and 1,019 very low income units. However, for purposes of identifying adequate sites for the RHNA, State law does not mandate the separate accounting for the extremely low income category.

Summary

Table 3-1 summarizes the City's housing production and **Table 3-2** provides a detailed accounting of the affordable units, including moderate income units, built during 2003-2006 as well as currently under construction. With units constructed, under construction, and entitled, the City has already met its RHNA obligation for above moderate income housing and a portion of its obligation for lower and moderate income housing. Overall, the City has a remaining RHNA of 3,566 lower and moderate income units which must be met by designating sites at appropriate densities.

Table 3-1
Housing Production: January 1, 2003 through December 31, 2006

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total¹
Constructed	85 ²	573	362	3,440	4,460
Under Construction ³	100	134	10	338 ⁵	582
Approved ⁴	18	77	40	1,783 ⁵	1,918
Total	203	784	412	5,552	6,951
RHNA	1,922	1,460	1,583	3,411	8,376
RHNA Remaining	1,719	676	1,171	---	3,566

Notes:

¹ Total does not include 71 units for which sales price and rent information could not be obtained; likely, these units would be considered as above moderate income units.

² Includes 32 units deed restricted to extremely low income households.

³ "Under Construction" figures are based on active, issued residential permits as of 12/31/06. Further, units shown as low or very low income have approved affordable housing agreements or are second dwelling units (9 total); for moderate income projects, figures are based on rental information obtained; remaining under construction units are assumed to be all above moderate income.

⁴ "Approved" represents projects that have received, at a minimum, tentative map approval. However, all very low and low income units shown in this category have received all discretionary permits. The projects contributing to the very low and low income units are identified in Table 3-2 under "affordable units approved."

⁵ Based on historic data, the City estimates that the majority of units approved or under construction and not specifically approved or designated as lower or moderate income units will be affordable to above moderate income families. However, since rents and sales prices of the above moderate income units shown are not yet known, some of the units could be placed in other income categories.

Source: City of Carlsbad, January 2007.

Table 3-2
Affordable Housing Production

Projects/Quadrant	Type	Extremely Low Income¹	Very Low Income¹	Low Income¹	Moderate Income²	Total
Affordable Units Constructed 2003-2006						
Pacific View/NW	Apts	---	---	111	157	268
Mariposa/NE	Apts	32	---	73	---	105
Casa Laguna/NW	Condos	---	---	2	---	2
La Paloma/SE	Apts	---	53	127	---	180

**Table 3-2
Affordable Housing Production**

Projects/Quadrant	Type	Extremely Low Income¹	Very Low Income¹	Low Income¹	Moderate Income²	Total
Bressi Ranch (Mulberry)/SE	TH	---	---	100	---	100
Village by The Sea/NW	Condos	---	---	11	---	11
The Tradition/SW	Apts	---	---	24	97	121
Farber/NW	Condos	---	---	2	---	2
Rose Bay/SE	TH	---	---	24	---	24
The Summit (Marbella)/NW	Apts	---	---	29	94	123
Pirineos Pointe/SE	Condos	---	---	---	14	14
Laguna Pointe/NW	Condos	---	---	3	---	3
Second Dwelling Units ³ /Various	SDUs	--	---	67	---	67
Subtotal:		32	53	573	362	1,020
<i>Affordable Units Under Construction (estimated completion in 2007/2008)</i>						
Hunter's Point ⁵ /SE	Apts	---	90	78	---	168
Cassia Heights ^{4,5} /SE	Apts	---	---	56	---	56
The Bluffs ⁵ /NW	Condos	---	10	---	---	10
Marbella (remainder) ⁵ /NE	Apts	---	---	---	10	10
Subtotal:		---	100	134	10	244
<i>Affordable Units Approved</i>						
Cantarini/Holly Springs/NE	Apts	---	---	40	40	80
Poinsettia Place/SW	Condos	---	7	7	---	14
Roosevelt Gardens ^{4,5} /NW	Condos	---	11	---	---	11
Poinsettia Commons ⁵ /SW	Condos	---	---	12	---	12
La Costa Condominiums/SE	Condos	---	---	9	---	9
La Costa Village Center/SE	TH	---	---	9	---	9
Subtotal:		---	18	77	40	135
Total		32	171	784	412	1,399

Apts = Apartments; Condos = Condominiums; TH = Townhomes

Notes:

¹ All extremely low, very low, and low income units in the projects presented in this table are or will be deed-restricted according to the City's Inclusionary Housing program.

² All moderate income units are not deed restricted; categorization as moderate income units is based on price data supplied by developers (for Marbella) or density (for Cantarini/Holly Springs, which has a density of 12.88 units per acre).

³ Pursuant to City regulations, second dwelling units, if rented, must be rented at rates affordable to low income households.

⁴ These projects do not fulfill another project's inclusionary needs and are developed outside of the City's Inclusionary Housing Program.

⁵ As of December 2008, these projects are under construction or completed.

Source: City of Carlsbad, December 2008.

Residential Sites Inventory

Pursuant to State law, the City must demonstrate that it has adequate vacant residential sites at appropriate densities and development standards to accommodate the City's RHNA. Based on Table 3-1 above, the City's remaining RHNA is as follows:

- Very Low Income: 1,719 units
- Low Income: 676 units
- Moderate Income: 1,171 units
- Above Moderate Income: 0 units

The following residential sites inventory represents sites at either existing or anticipated densities that would accommodate the remaining need. All "number-of-unit" yields for "unentitled" and "underutilized" sites (the latter defined below) are determined after deductions are made for constraints, which include slopes of 25 percent and greater, water bodies, and San Diego Gas and Electric transmission corridors. Constraint deductions were not made for properties in the City's Village Redevelopment Area or proposed Barrio Area as these areas are in urbanized, developed settings, are not traversed by transmission corridors, and are on flat terrain. Infill developments also do not typically require land dedication for schools or roadways. Finally, the acreage of any unentitled or underutilized site with more than one general plan designation (e.g. RH/O/OS) is appropriately adjusted so unit yields are based only on the portion of acreage reflective of the residential designation.

"Underutilized" sites are properties not developed to their full potential, such as an older residence on a large lot designated for multi-family residential. The City considers a property underutilized if its improvement value is less than its land value, with values as determined by the County Assessor.² Other factors considered and reflected in the City's sites selection include absentee ownership and the age of the structure on the property. All underutilized properties are in the City's Northwest Quadrant.

With the exception of parcels in the City's Village Redevelopment Area and proposed Barrio Area, all underutilized lands counted in Tables 3-4, 3-6, and 3-9 have a minimum site size of 0.24 acre, a threshold where infill development and redevelopment have occurred in recent years. Any existing units on underutilized parcels are also deducted before determining unit yields.³ Parcels in the City's Village Redevelopment Area, which encompasses downtown

² Many economic development experts use an improvement-to-land value of 2.0 or more for identifying underutilized properties for mixed use development. The City's use of a ratio of less than 1.0 represents a relatively conservative assumption.

³ When developing the RHNA, SANDAG has already included a replacement factor – an estimated number of existing units that may be demolished to make way for new construction. Therefore, the RHNA is a gross production requirement. The City's sites inventory accounts for a net production capacity by discounting the existing units on site. Therefore, again, the City's estimate of capacity is more conservative compared to the RHNA.

Resources Available

Carlsbad, are considered underutilized if their development potential has not been maximized as determined by the City's Housing and Redevelopment Department and explained below.

As noted above, the minimum parcel size counted in the Village, for both underutilized and a small number of vacant properties, is different than elsewhere in Carlsbad. In the Village, the minimum size is 0.13 acre, although the average size is 0.40 acre. Counting a smaller minimum size is appropriate in the Village because:

1. Village development standards, such as building setbacks and lot coverage, are more flexible and in some cases less stringent than similar standards for properties outside the Village Redevelopment Area. In November 2007, the City Council and Housing and Redevelopment Commission approved changes to Village Development standards that allowed higher densities (up to 35 units per acre), reduced setbacks and parking requirements, and increased lot coverage.
2. In line with the recently approved changes and as further discussed below, this Housing Element proposes a minimum density of 18 units per acre in some Village land use districts, and 28 units per acre in others, both of which represent 80 percent of the respective district's maximum density); this density of 28 units per acre is higher than proposed or existing minimum densities elsewhere in Carlsbad (with the exception of the proposed Barrio Area). Both proposed minimum densities in the Village potentially yield two units in a mixed use development to be built on the minimum lot size. While the City encourages mixed use projects in the Village, development of stand-alone high density residential projects are also permitted and would yield more units.
3. Residences in a mixed use development are likely to be either smaller apartments or condominiums on the upper floors.

In the proposed Barrio Area, the minimum parcel size counted is 0.16 acre and the average is 0.54 acre. As discussed below, the Barrio is an existing, well established neighborhood just south of the Village Redevelopment Area and west of Interstate 5. A mix of older single-family homes, condominiums, and apartments compose the Barrio, and a number of the properties are underutilized and absentee-owned. Furthermore, the connection between it and the commercial features of the Village, as well as easy access to nearby train and bus services and Interstate 5, making the Barrio area appropriate for consideration for more dense residential uses.

For these and other reasons, Carlsbad considers the area appropriate for redevelopment at standards and densities similar to the maximum densities recently approved for the Village. Therefore, the City believes consideration of a lot size smaller than 0.24 acre, as is the minimum in locations outside the Village and proposed Barrio areas, is acceptable.

The City will encourage the consolidation of small parcels in order to facilitate larger-scale developments. Specifically, the City will make available an inventory of vacant and underutilized properties to interested developers, market infill and redevelopment opportunities throughout the City, particularly in the Village Redevelopment Area and proposed Barrio Area, and meet with developers to identify and discuss potential project sites.

For the Barrio Area, incentives shall be developed to encourage the consolidation of parcels and enhance the feasibility of affordable housing. These incentives shall include increased density and other standards modifications. Additional incentives are not necessary for the Village Redevelopment Area as standards modifications (including increased density) are already permitted for affordable housing, “green” buildings, and projects which meet the goals and objectives of the Village (which include residential and mixed use developments).

Correlation between Affordability and Density

Table 3-3 presents a list of the City’s recent affordable housing projects and their associated densities. Most of the City’s affordable housing developments have been developed at a density between 10 and 20 units per acre, although two projects (Cassia Heights and Village by The Sea) did exceed 20 units per acre. These development practices demonstrate that affordable housing for lower income households can be achieved in the City’s Residential Medium High Density land use designation (“RMH,” between 8 and 15 units per acre [du/ac], with a Growth Management Control Point of 11.5 du/ac) and the Residential High land use designation (“RH,” between 15 and 23 du/ac with a Growth Management Control Point of 19 du/ac). The Growth Management Control Point is typically the density below or at which development has historically occurred. Furthermore, when a density bonus is applied to the RH designation, the maximum density can potentially reach 31 units per acre (at a maximum density bonus of 35 percent).

Given the market conditions in Southern California, particularly in the San Diego region, housing affordable to lower income households cannot be accommodated by the market without some form of financial subsidies, regardless of density. Affordable housing projects shown in Table 3-3 were achieved with financial subsidies from the City. Average per-unit subsidy of subsidized units was about \$18,470. This level of subsidy is modest and less than that for most affordable housing projects in the North San Diego County area at densities around 20 units per acre.

At 30 units per acre, typically subterranean parking would be required, substantially increasing the average subsidy required to make the units affordable to lower income households. The cost savings from economies of scale for housing production do not usually break even until the density is substantially increased to beyond 30 units per acre. To expand the capacity for additional development, at appropriate locations – Village Redevelopment

Resources Available

Project Area – the City is encouraging mixed use development at 35 units per acre.

Table 3-3
Recent Affordable Housing Projects
(Built and Under Construction)

Project	Number of Units (Total/ Affordable)	Year of Completion	Project Density	Affordability	Average Subsidy/Unit
Mariposa Apartments	106	2004	14.9 du/ac ¹	100% Lower Income	\$10,000 (AB 16,929) ²
Pacific View/Kelly Ranch	451/111	2004	13.7 du/ac	25% Lower Income/ Market Rate	None
La Paloma	180	2005	11.5 du/ac	100% Lower Income	\$11,500 (AB 16,823)
Mulberry	100	2005	17.6 du/ac	100% Lower Income	\$20,000 (AB 17, 832)
Rose Bay	24	2005	8.2 du/ac	100% Lower Income	None
Village by The Sea	65/11	2005	22.9 du/ac	17% Lower Income/ Market Rate	\$20,000 (AB 18,252)
Marbella	143/29	2006	11.4 du/ac	20% Lower Income/ Market Rate	None
Cassia Heights	56	2007	21.1 du/ac	100% Lower Income	\$50,523 (AB 18,025)
Hunter's Pointe	168	2007	10.6 du/ac	100% Lower Income	\$11,500 (AB 18,251)
Roosevelt Gardens	11	2008 (estimated)	19.5 du/ac	100% Lower Income	\$141,993 (AB 19,183)

Note: ¹"du/ac" is dwelling units/acre.

²"AB 16,929" (or other number) identifies the City Council agenda bill number from which the subsidy amount was obtained.

High Density Residential (RH) Sites

Table 3-4 provides a summary of high density residential sites in the City that can facilitate the development of lower income housing. The City has a limited inventory of unentitled RH land that is either vacant or underutilized, and available for residential development. As shown in the appendix, these parcels are mostly under one acre in size. Despite their small sizes, such sites are proven producers of multi-family housing, as **Table 3-5** demonstrates. Because of the proven yield realized from small properties, the City considers these small properties as valid sites in its high density land inventory. To further facilitate multi-family residential development, this Housing Element includes a program to amend the RH land use designation to require development at a minimum 20 units per acre. Additionally, the proposed Barrio Area is identified as a RH site

because of the high density land use proposed there; it may, however, receive a different high density land use designation than RH.

Table 3-4
Existing and Proposed High Density Residential (RH) Sites

Property	APN	Acres	Density	Number of Units ¹
<i>Vacant Residential Sites currently designated RH</i>				
Robertson Ranch	Portions of 168-050-47, 208-010-36	22	20-22.3 du/ac ²	465 ²
Unentitled Land	Various (see Appendix C)	12	20 du/ac ³	237
Subtotal				702
<i>Vacant Residential Site proposed to be designated RH</i>				
Bridges at Aviara Affordable Housing Component ⁴	Portions of 215-050-44 and 47	2.6	25	76
Subtotal				76
<i>Vacant Non-Residential Sites proposed to be designated RH</i>				
Ponto ⁴	216-140-17	6.4	20 du/ac	128
Quarry Creek ⁴	Portions of 167-040-21	15	20 du/ac	300
Subtotal				428
<i>Other</i>				
Underutilized RH Sites	Various (see Appendix D)	0.26	20 du/ac ³	8
Proposed Barrio Area ⁴	Various (See Appendix G)	14	28 du/ac	256
Subtotal				264
Total				1,470

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

² General Plan Amendment (GPA) and Master Plan approved to allow the densities and number of units shown. Number of units includes 78 high-density, lower income units under construction (Glen Ridge) as of October 2008. These units are not reflected in Table 3-2.

³ City commits to process a GPA to increase minimum density to 20 du/ac on these sites (New Program).

⁴ More information about these projects is provided below.

Source: City of Carlsbad, December 2008

Table 3-5
Approved Multi-Family Projects on Small Sites

Project	Site Size (in acres)	Units	Density	Approval Date
Ayoub Triplex	0.19	3	15.8 du/ac	2000
Ocean Breeze Condos	0.31	5	16.0 du/ac	2002
Acacia Estates	0.32	4	12.5 du/ac	2005
Tamarack Beach Lofts	0.22	4	18.0 du/ac	2006
La Vercia	0.41	5	12.2 du/ac	1998

Specific Sites Proposed to be Designated RH

Four different sites are proposed for redesignation to RH. For three of them, the City would propose the redesignation; the other site would be developer-initiated. Details of each follow:

1. **Bridges at Aviara Affordable Housing Component:** A developer has filed applications, including a zone change and general plan amendment, to redesignate and develop and preserve approximately 60 vacant acres in the Southwest Quadrant. The proposed project would feature 428 condominiums for senior residents and 76 apartments units on a proposed 2.6-acre site. Occupancy of the 76 apartments would be restricted to lower income families. Much of the property would be set aside as open space to preserve natural habitat. Current zoning for the affected acreage is L-C (Limited Control) and R-1 (One-family Residential). Current general plan is RLM (Residential Low Medium Density) and OS (Open Space).
2. **Ponto:** Ponto is the name given to a 130-acre area located near Carlsbad State Beach in the southwestern part of the City. Ponto also falls within the South Carlsbad Coastal Redevelopment Area. The Ponto Beachfront Village Vision Plan is intended to provide guidance for the development of a 50-acre portion of Ponto. This Vision Plan, approved by the City in 2007, designates approximately 6.4 vacant acres for high density residential. This property has a current zoning of P-C and a combination general plan designation of U-A/T-R/C (Unplanned Area/Travel-Recreation/Commercial). Per the Vision Plan, the City would amend the general plan to designate the property RH. The environmental impact report for the Ponto Beachfront Village Vision Plan has been certified by the City, although the report is the subject of litigation regarding financial contributions towards off-site improvements.
3. **Quarry Creek:** The site of the former South Coast Materials Quarry that ceased mining operations in 1995, Quarry Creek is an approximately 100-acre parcel bisected by Buena Vista Creek and bordered by commercial and residential uses, the 78 Freeway, and open space. The majority of the property is vacant; some buildings from the quarry operation remain, and recycling of used concrete and asphalt materials continues on a temporary basis on site. The site is undergoing soil remediation and reclamation planning as required by the State Surface Mining and Reclamation Act (SMARA) and a draft environmental impact report on the reclamation plan was released for public review in September 2008. Quarry Creek, which is located in the Northeast Quadrant, has a current zoning of R-1-10,000 (One family residential, minimum 10,000-square-foot lot size) and M (Manufacturing) and general plan designations of RLM (Residential Low Medium Density) and OS (Open Space). The City proposes to redesignate a portion of the property to RH with an appropriate zoning. The City also proposes to redesignate another portion of the property to RMH (see Table 3-9). Quarry Creek is unique in that it is part of the only area in the City

without a Local Facilities Management Plan; this plan must be adopted before any development may occur. A developer has filed an application to initiate the master planning of Quarry Creek in a manner consistent with the City's residential land use and density objectives for the property.

4. **Proposed Barrio Area:** The Barrio is an approximately 100-acre urbanized area in the City's Northwest Quadrant originally developed by Hispanic immigrants in the 1920s. Mostly developed, the Barrio Area is west of Interstate 5, east of the railroad tracks and south of the Village Redevelopment Area. Roughly at the center of the Barrio Area are the recently expanded Pine Avenue Park, Chase Field, and the City's newly remodeled senior center. Along with these open space and community uses, existing land uses include medium and lower density residential and higher density, multi-family uses. A few Barrio properties are developed with neighborhood commercial uses, and the area is well served by churches and a multitude of services in the adjacent Village Redevelopment Area.

While ideally located next to major transportation, shopping and recreation (including Carlsbad State Beach less than one mile to the west), the Barrio Area has a significant number of older, underutilized properties with high absentee ownership. Of the nearly 320 properties in the Barrio Area, over 25 percent have structures at least 55 years of age, 60 percent are absentee-owned, and 55 percent of the properties have improvement values less than their land values. Similar to many older neighborhoods, the Barrio has been transitioning from predominantly family owned occupancy to non-owner occupancy. Consequently, many older and substandard buildings exist in the area, and many properties are not being adequately maintained.

Though property values in the Barrio Area remain high, the neighborhood could benefit from additional investment in property improvements. Since 2000, the City has made a number of substantial public improvements in the area, including utility undergrounding, storm drain and street improvements, and the previously mentioned park and senior center enhancements. Future public improvements are also planned. Despite the public investment that has and is planned to occur, there has not been significant private investment in the development and improvement of the Barrio.

A disincentive to private investment is the fact that many Barrio Area properties are already developed at densities exceeding 30 units per acre. This is well in excess of currently permitted densities for most Barrio Area properties of six and 11.5 units per acre. Development exceeding currently permitted densities is considered non-conforming. The City's municipal code severely restricts the amount and type of improvements that can be undertaken to improve and enhance a non-conforming use, which is an impediment to reinvestment in the Barrio.

Though master planning efforts for the Barrio Area failed in 1995, a group of citizens has requested the City begin such efforts again to promote revitalization of the Barrio Area. The Carlsbad City Council has directed the Planning Department to begin this process. Based on a land use study prepared by the group of citizens, Carlsbad believes the Barrio Area can be redeveloped, and private investment encouraged, if appropriate and tailored development standards and densities to permit a combination of mixed use, medium-high, and high density residential uses are adopted. The City further believes, similar to recent development standard changes approved for the Village Redevelopment Area, that master planning should consider provisions appropriate to allow high density and mixed use development in some parts of the Barrio with a minimum density of 28 units per acre. Additionally, the City will develop a program to encourage lot consolidation in the Barrio Area. Housing Element Appendix G identifies Barrio Area properties, including those with adjoining ownership, and the proposed density for each property.

The properties considered as part of the Barrio Area for Housing Element purposes are identified in Appendix G. Appendix G also identifies the properties the City has counted to determine the potential unit yield and the reasons those properties were counted. The yield has been divided over three densities or residential categories as shown in Tables 3-4, 3-6, and 3-9.

It is anticipated that a master or specific plan will be developed for the Barrio Area, either as a stand-alone document or as part of a larger plan for both the Barrio and Village Redevelopment areas. Since the redevelopment designation for the Village area will expire in 2009, the City will replace the current Carlsbad Village Redevelopment Master Plan and Design Manual, which provides development and use standards for the redevelopment area, with a master or specific plan. Because of the adjacency of both areas, a single plan may be developed for both areas.

Whether as a stand-alone or combined document, the master or specific plan would establish a new or unique land use designation that permits high densities in excess of the current RH land use designation, which permits a maximum of 23 units per acre. However, since RH is the City's only current high density land use designation, it used to designate the proposed high density for the Barrio Area as well.

RH Mixed Use Sites

The City's satisfaction of its RHNA also relies upon existing and proposed "mixed use" sites. For purposes of this Housing Element, mixed use describes properties where both commercial and residential uses either are permitted or proposed on the same or adjacent sites. Mixed use may be "horizontal," with different uses located on adjoining sites, or it may be "vertical," with residences, for example,

located above shops in a multi-story building. **Table 3-6** lists residential potential in the City's planned mixed use and existing redevelopment areas where lower income housing also may be feasible.

Table 3-6
Existing and Proposed RH Mixed Use Sites

Property	APN	Acres	Density	Number of Units ¹
<i>Proposed Vacant Mixed Use Site</i>				
Commercial Mixed Use Ponto ²	Portion of 216-140-18	2.8 (approx)	20 du/ac	28
<i>Proposed Shopping Center Mixed Use Sites</i>				
Various (see Table 3-7) ²	Various	Various	20 du/ac	525
<i>Existing Village Mixed Use Sites (underutilized and vacant)</i>				
Village Redevelopment Area ²	Various (see Appendix F)	71.5	18 and 28 du/ac ³	875
<i>Proposed Barrio Area (primarily underutilized)</i>				
Barrio Area ²	Various (see Appendix G)	5	28 du/ac ³	45
Total				1,473

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding, planned mixed use developments, and other factors. Number of units also reflects deductions for any existing units.

² More information about these projects is provided in the text below.

³ The City commits to adopting a policy to establish the minimum densities shown.. Only 50% of the potential yield for both Village and proposed Barrio Area Mixed Use sites is considered. For the Village, only 1.7 acres of the total acres shown are vacant.

Source: City of Carlsbad, August 2007 and March 2008

Proposed Vacant Mixed Use Site

Also discussed above, the draft Ponto Beachfront Village Vision Plan prepared by the City designates an approximate six acre area as a mixed use center where residential would be permitted in a vertical or horizontal arrangement. The City commits to the development of 28 dwelling units on the site at a density of 20 units per acre. This property has a current zoning of P-C and a combination general plan designation of U-A/T-R/C/OS (Unplanned Area/Travel-Recreation/Commercial/Open Space). This designation would be changed to an appropriate mixed use designation that facilitates high density development.

Proposed Shopping Center Mixed Use Sites

Carlsbad recognizes the increasing pressure on cities to encourage smart growth developments; that is, developments which recognize the importance of sustainability and balance social, economic, and environmental needs through the development of mixed use commercial and high density residential projects. The City is also aware that it has a finite supply of raw land. For these reasons, Carlsbad sees its many shopping center sites as potential locations for high density housing. As potential mixed-use sites, they would comply with General

Plan objectives for medium and high density uses calling for close-in, convenient shopping for the City residents and proximity to transportation corridors and employment areas.

Currently, outside the Village Redevelopment Area, residential uses above the ground floor of a multi-story commercial building are conditionally permitted in the zones applied to shopping centers (i.e., C-1 [Neighborhood Commercial], C-2 [General Commercial], and C-L [Local Shopping Center]). Recognizing the potential for residential mixed with existing or redeveloped commercial uses, this Housing Element includes a new program to develop new standards to permit by right multi-family housing in the City's commercial zones at a minimum density of 20 du/acre.

While residential development would not be mandatory upon any shopping center development or redevelopment proposal, the City believes the shopping centers identified in **Table 3-7** have the potential to initiate mixed use development within this Housing Element cycle. The City has identified these centers as potential mixed-use sites for various reasons, including functional obsolescence due to small supermarket and/or property size and poor vehicular circulation; underutilization of property; undeveloped property; and City ownership of surrounding property. One of these centers, Plaza Camino Real, has already been the subject of redevelopment discussions between the City and mall owners. Plaza Camino Real, a regional mall along Highway 78 developed in the late 1960s, is entirely surrounded by parking on property owned by the City of Carlsbad.

The dwelling unit yield projected for the shopping centers is based on only 25 percent of each center's acreage redeveloping with residential uses at 20 units per acre. This assumption recognizes that not all shopping centers will propose mixed-use; for those that do, the 25 percent limitation also recognizes the importance of maintaining sites for commercial uses in the City.

(Table 3-7 identifies only select shopping centers; the proposed program to allow mixed uses at shopping centers would apply to all shopping centers and shopping center sites in Carlsbad.)

Table 3-7
Shopping Centers with High Density, Mixed Use Potential

Use	Location	Quadrant	APN	Acres	Existing Zoning ¹	Existing General Plan ²	Number of Units ³
Von's Center	Interstate 5 and Tamarack	Northwest	206-050-16 - 20	5	C-1	L	25
Von's Center	El Camino Real and La Costa Ave	Southeast	216-124-11, 13, 15, 16, and 17	8	C-1-Q	L, L/OS	42
Country Store	El Camino Real	Northwest	207-101-24	5	C-2/C-2-Q	L	25
Plaza Camino Real	El Camino Real and Marron Rd.	Northwest	156-301-06, 10, and 11; 156-302-14 and 24	57 (parking lot only)	C-2	R	285
Sunny Creek (undeveloped)	El Camino Real and College Blvd	Northeast	209-090-11	17.6	C-L	L	88
North County Plaza	Marron Rd and Jefferson St	Northwest	156-301-16	12 (excludes creek)	C-2-Q/OS	OS/R	60
Total							525

Notes

¹ Zoning symbols are: C-1 (Neighborhood Commercial); C-2 (General Commercial) C-L (Local Shopping Center); O-S (Open Space); R-P (Residential Professional); Q (Qualified Development Overlay Zone).

² General Plan land use symbols are: L (Local Shopping Center); OS (Open Space); R (Regional Commercial).

³ Number of units is based on 25% of site acreage multiplied by 20 du/ac.

Existing Underutilized and Vacant Mixed Use Sites in the Village

Based on current development trends, the City estimates that significant residential development potential is located in the Village Redevelopment Area, which encompasses the City's downtown and is located in the Northwest Quadrant. Furthermore, the City is encouraging mixed use developments in its downtown area. Residential development (at a density of up to 35 units per acre) is currently permitted or provisionally permitted on nearly all of the properties in the Village Redevelopment Area, and the potential unit yield in the Village could be more than 1,000. Because most of the properties in the Village allow for mixed uses and do not have any density assigned by right, when the City prepared the 1986 Growth Management Plan, 1,000 units were reserved in the Excess Dwelling Unit Bank for the Village. Over the years, the City has maintained these units specifically for the Village; a major modification of the Excess Dwelling Unit Bank in 2002 did not result in any reduction of the 1,000 units allocated to the Village. More information on the Growth Management Plan and the current status of the Excess Dwelling Unit Bank can be found in Section 4B.

Resources Available

The Carlsbad Redevelopment Agency has seen a renewed interest in developing new projects within the Village Area as a result of 1) the Agency's redevelopment and revitalization focus; 2) public investment in infrastructure and beautification projects; 3) revised development standards; and 3) new urbanism trends.

The Redevelopment Agency's efforts are motivated by the desire to eliminate blight and/or blighting influences (underutilized properties, non-conforming buildings, inadequate buildings, lack of facilities, etc) within the Village Area. The new urbanism trends are motivated by convenience, employment opportunities and cultural and entertainment offerings.

Carlsbad Village is benefiting from the renewed interest in downtown living, or new urbanism. It took nearly 20 years for the market to support additional residential units within the Village Area. However, recently, the Agency has approved at least 17 new development projects and has additional development applications pending. Of these new development applications, the majority (88%) are for residential and/or mixed use projects which include residential. Examples of recent residential and mixed use developments in the Village Area are provided below and in **Table 3-8**.

In addition, recently the Redevelopment Agency completed a study of its development standards in an effort to support the renewed interest in the Village. Several significant changes were made which support the goal to increase residential development in the Village and mixed use projects (which include residential). Residential density was increased in the Village from a maximum of 23 dwelling units to a maximum of 35 dwelling units, with standards modifications (including increased density) permitted for affordable housing, green buildings, and projects which meet the goals and objectives of the Village (which include residential and mixed use developments). The Agency also revised how it calculates parking and again allows standards modifications (including parking reductions) for the above noted projects. Parking and density are key to continued revitalization and redevelopment of the Village.

Casa Cobra Mixed Use Project

Located at 3190 Roosevelt Street, this project will provide four apartments and 1,500 square feet of retail.



Roosevelt Plaza Mixed Use Project

This project will provide for four apartments and 2,170 square feet of retail/office space at 3135 and 3147 Roosevelt Street.



State Street Mixed Use Project

Located on State Street, between Carlsbad Village Drive and Oak Avenue, this project will provide for six condo units and 1,875 square feet of retail. Approved in 2006, this project has recently filed an amendment to add an additional two units in response to the recent density increase approved in the Village.



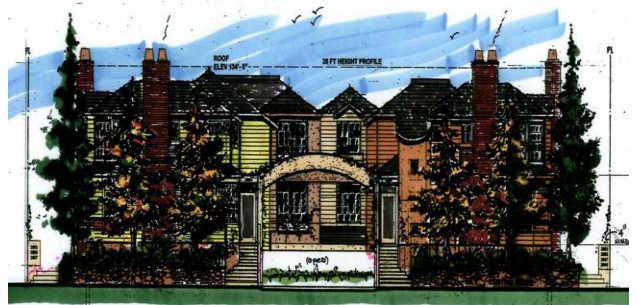
Lincoln and Oak Mixed Use Project

This project is located on the corner of Lincoln and Oak and will provide six condos and 1,913 square feet of retail.



Carlsbad Village Townhomes

This project located at 2683 and 2687 Roosevelt Street will provide for eight townhomes, and a four-room Bed & Breakfast Inn.



Madison Square

A total of 4 condominiums will be provided within this project located at 2732 Madison Street on a 0.22 acre parcel.



As identified in **Table 3-8**, several residential and mixed use projects recently approved or constructed in the Village, including the six highlighted on the previous pages, demonstrate the need for the Village unit allocation and the high density nature of development occurring there. These projects have an average density of 21 units per acre and all but one (Madison Square) feature non-residential components, such as retail, office, restaurant, and hotel uses. One example of the recent high density activity in the Village includes Village by The Sea. Village by The Sea, completed in 2005, features ground floor retail space and 65 housing units, eleven of which are deed restricted to low income families, at a density of 22.9 units per acre. In addition to mixed use projects, Village residential projects such as the recently approved Madison Square and Roosevelt Gardens are providing high density affordable housing. An 11-unit development with a density of 19.5 units per acre, all condominiums in Roosevelt Garden will be available for purchase only to low income households. Both projects and the other recently approved residential and mixed use developments help fulfill Village Redevelopment Master Plan goals that specify increasing the number, quality, diversity, and affordability of housing units in the Village.

With the recent approval by the City to increase the density in the Village area, the City anticipates increased density in the future. Since approval of the increased density, at least one project has responded by amending the project application to provide additional units at the project.

Many properties in the City's Village Redevelopment Area have the potential to redevelop with mixed uses. Mixed-use as well as high-density residential projects are currently permitted uses in several Village land use districts at densities up to 23 or 35 units per acre. In these districts, the City calculates that approximately 71.5 acres of sites, at a minimum size of 0.13 acre (average size of 0.40 acre), are available for high density residential and/or mixed use development. Most (approximately 70 acres) of these sites have existing uses; however, the City's Housing and Redevelopment Department, which is located in the Village area, has completed a site-by-site analysis and determined that these sites have mixed use redevelopment potential in the near term for one or more of the following reasons:

1. Sites are underutilized, and their development potential has not been maximized;
2. Buildings on the sites have exceeded their useful life of 55 years; and/or
3. Sites have nonconforming uses.

The site-by-site analysis, which also notes parcels that are vacant and available for development, is provided as Appendix F. This analysis, prepared for RHNA purposes, identifies sites that are most likely and feasible for redevelopment over the next few years. These sites account for 57 percent of the total sites that could develop with residential or mixed-developments. By no means does this inventory represent all potential redevelopment sites in the Village area.

Redevelopment often occurs due to many market, locational, and timing factors, such as existing uses in relation to surrounding uses, intent of property owners, and changing market trends, among others.

As noted in Table 3-6 above, the potential density yield that would be realized from mixed use development of these properties is 875 units at a minimum density of either 18 units per acre or 28 units per acre, depending on the Village land use district. These minimum density requirements, which are based on 80 percent of the maximum density of the respective district, represents a new Housing Element program as current project densities are permitted within a range of 15 to 23 units per acre in land use districts 5 through 9 and 15 to 45 units per acre in land use districts 1 through 4. (The maximum density is less in land use districts 5 through 9 because these districts transition to single-family home neighborhoods and district 9 also provides tourist-serving uses.) Furthermore, the yield is a very conservative estimate of the number of new homes that could be built in the Village for the following reasons:

1. Land use districts (1, 2, 4, 8, and 9) permit mixed use developments. Districts 2, 4, and 8 also permit high density residential. Further, other Village districts also provisionally permit mixed use and/or high density residential. Development of these other sites could substantially increase the number of units.
2. Only unit yields from potential mixed use developments are counted; the 875 units counted in Table 3-6 do not include possible yields from residential-only high density projects, such as the Roosevelt Gardens project previously described. Only mixed use yields are counted as the City is encouraging mixed use development, rather than stand-alone residential projects, to both increase the number of residents in the Village and the amount of commercial uses to serve residents. All projects listed in Table 3-8 except Madison Square are mixed use developments. However, the proposed minimum density of 18 or 28 units per acre would apply to both mixed use and stand-alone residential projects.
3. Only 50 percent of the potential yield from mixed use developments at 18 or 28 units per acre is counted. Actual unit yields more than likely would be higher, based on approved densities of actual mixed use projects and the new Housing Element program to require the minimum density of 18 or 28 units per acre, depending on the land use district. Table 3-8 below illustrates this conclusion by providing information about recently approved mixed use projects in the Village. The table also demonstrates the success in developing such projects on small parcels.
4. The City will encourage consolidation of smaller properties for larger-scale developments by assisting in site identification. All but two of the recent projects shown in Table 3-8 below involved the consolidation of parcels; these lot mergers occurred without any incentives from the City.

Table 3-8
Recent Village Residential and Mixed Use Projects

Project	Acres	Units	Density	Approval Date	Existing Site Uses ¹
Casa Cobra	0.24	4	16.7	2006	Two attached residences
Lincoln & Oak Mixed Use	0.40	6	15.0	2006	Detached residence, commercial building
Roosevelt Plaza	0.24	4	16.7	2006	Four residences, commercial building
State Street Mixed Use	0.28	6	21.4	2006	Seven residences
Village By The Sea	2.80	65	22.9	2002	Attached and detached residences
Madison Square	0.22	4	17.1	2006	Vacant ²
Carlsbad Village Townhomes	0.46	9	19.4	2006	Attached residences
Roosevelt and Oak	0.32	6	18.8	2008	Commercial building, detached residences
Lumiere Carlsbad Village Hotel	0.54	12	22.2	2008	Two vacation rental buildings

Notes:

¹Uses on property at time of project approval. All existing uses to be demolished.

²Property previously featured a home demolished in 1994.

All projects listed in Table 3-8 have been successfully approved, and in some cases already constructed, on non-vacant parcels. Furthermore, the Casa Cobra and the Roosevelt and Oak project sites and one of the Roosevelt Plaza properties are identified as “underutilized” in Appendix F. Additionally, none of the projects identified in Table 3-8 are on parcels counted in Appendix F in the density yield for RHNA purposes to avoid double counting.

Proposed Barrio Area

Details about the proposed Barrio Area are contained in the previous discussion on *High Density RH Sites*. In addition to a purely residential high density component, planning for the proposed Barrio Area estimates the potential for 45 units of high density, mixed use development. Only 50 percent of the yield (at 28 units per acre) from parcels proposed for mixed use development, as shown in Appendix G, is counted.

Medium-High Density Residential Sites

Smaller condominium and townhome units or planned unit developments may be affordable to moderate income households. Table 3-6 presented earlier shows condominium/townhome units affordable to moderate income households based on price data supplied by developers. These units are typically developed on properties designated for Residential Medium High Density (between 8 and 15 units per acre). **Table 3-9** provides a summary of Residential Medium High Density sites in Carlsbad. Overall, the City has the capacity to accommodate 537 units at densities adequate to facilitate moderate income housing.

Table 3-9
Existing and Proposed Medium High Density Residential (RMH) Sites

Property	APN	Acres	Density	Number of Units ¹
<i>Vacant Residential Sites currently designated RMH</i>				
Robertson Ranch	Portions of 168-050-47,208-010-36	7	12.4 du/ac ²	84
Vacant Unentitled RMH Land	Various (see Appendix C)	8	12 du/ac ³	92
Subtotal				176
<i>Vacant Non-Residential Sites proposed to be designated RMH</i>				
Quarry Creek ⁴	Portions of 167-040-21	17	12 du/ac ³	200
<i>Other</i>				
Underutilized RMH Land	Various (see Appendix D)	10	12 du/ac ³	102
Underutilized RH Land in the Beach Area Overlay Zone	Various (see Appendix E) ⁵	5.5	15 du/ac	60
Proposed Barrio Area ⁴	Various (see Appendix G)	3	12 du/ac ³	31
Subtotal				193
Total				569

Notes:

¹ Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

² GPA and Master Plan approved to allow the densities and number of units shown.

³ City commits to process a GPA and/or other legislative changes necessary to increase minimum density to 12 du/ac on these or portions of these sites (new program).

⁴ More information about these sites is provided below.

⁵ The minimum density of 15 du/ac is the existing lower end of the density range for the Residential High Density (RH) designation.

City of Carlsbad, August 2007 and March 2008

Relevant general plan, zoning, and other information about the Quarry Creek site and proposed Barrio Area may be found in the previous section under *High Density (RH) Sites*. Both projects have proposed RMH as well as RH components.

Further, while limited in number and total acreage, all properties counted as unentitled and underutilized in **Table 3-9** are at least 0.24 acre in size, which as

Table 3-5 demonstrates, is adequate to produce multi-family housing. A new Housing Element program also proposes to establish a minimum density of 12 units per acre for the RMH designation, which would apply to both unentitled and underutilized sites.

“Underutilized RH land in the Beach Area Overlay Zone” refers to those parcels in the City’s Northwest Quadrant, generally located between the Village area and Agua Hedionda Lagoon and along the beach, that are subject to the strict building height, parking, and other standards of the Beach Area Overlay Zone (BAOZ). Accordingly, the City has calculated the yield for the parcels at the low end of the parcels’ existing RH density range (15 du/ac), although it is anticipated that actually densities may reach 16 – 17 du/ac. Additionally, the City has categorized potential units from BAOZ sites as affordable to moderate income, rather than lower income, families.

Low, Low-Medium, and Medium Density Residential Sites

At market rate, residences on Residential Low Density, Residential Low Medium Density, and Residential Medium Density sites in Carlsbad are affordable primarily to above moderate income households only. They may include a mix of unit types, including condominiums, but these sites are typically dominated by single-family homes in planned unit developments or standard subdivisions. The City has the capacity to accommodate 1,675 additional homes on lower density residential land (**Table 3-10**).

Table 3-10
Low, Low-Medium, and Medium Residential (RL, RLM, RM) Sites

Property	Acres	Density ¹	Number of Units ²
<i>Vacant Residential Sites (see Appendix C)</i>			
Unentitled RM	163	6.0 du/ac	826
Unentitled RLM	321	3.2 du/ac	705
Unentitled RL	138	1.0 du/ac	144
Total			1,675

Notes:

¹ Densities are based on the Growth Management Control Point.

² Number of units does not always reflect acreage multiplied by density because of rounding and other factors.

Source: City of Carlsbad, August 2007

Recently Approved Projects with Affordable Housing Components

Tables 3-1 and 3-2 identify, among other things, projects providing affordable housing that the City approved in the time period 2003 – 2006. Since that time frame, the City has approved other projects with housing affordable to lower and moderate income persons. As shown in the following table, Carlsbad has approved three projects, all of which are in the City’s Northwest Quadrant and all of would provide lower or moderate income units without any amendments to the

General Plan or Zoning Ordinance. These units are approved so the projects may comply with inclusionary housing requirements. The units would be deed restricted for occupancy to lower or moderate income households.

Table 3-11
Recently Approved Projects with Affordable Housing

Project (Permit No) ¹	APN	Approval Date	Number of Affordable Units
Harding Street Senior Project (CT 06-14) ²	204-192-12	2008	15
Roosevelt Street Residences (SDP 06-10) ²	204-092-24	2008	7
Lumiere Carlsbad Village Hotel (RP 07-14) ³	203-250-21	2008	2
Total			24

Notes:

¹These projects are in addition to those identified in Tables 3-1 and 3-2. More information about these projects is provided in the text below.

²These two projects and the properties on which they are located are both in the proposed La Colonia District. However, they are not counted in the inventory for that district and do not contribute to that district's proposed yield (see Appendix G).

³This project is located in District 9 of the Village Redevelopment Area. However, it is not counted in the inventory for that district and does not contribute to any unit yield (see Appendix F).

Source: City of Carlsbad, December 2008

- 1. Harding Street Senior Project:** With 50 proposed condominiums on a 0.9 acre site, the Harding Street Senior Project has a density of over 55 units per acre and received approval of a senior housing density bonus as allowed by the Zoning Ordinance. The applicant received a density increase from 6.0 units per acre to 55.5 units per acre and development standards modifications as incentives to develop the site for senior housing and to reserve 15 units (30 percent of the total units) as affordable to low (7 units) and moderate income (8 units) households. These residences help the City meet its goal, as expressed in proposed Program 3.10, of providing 50 units of low income senior housing by 2010.
- 2. Roosevelt Street Residences:** An approved 35-unit condominium project on Ocean Street will satisfy its inclusionary requirements through the purchase and rehabilitation of an off-site existing ten-unit apartment building. The approved Roosevelt Street Residences project will deed restrict seven of the ten apartments as housing affordable to lower-income families.
- 3. Lumiere Carlsbad Village Hotel:** This mixed use project in the City's Village Redevelopment Area proposes 41 hotel units, ten condominiums, two low-income apartments, and a rooftop restaurant. The Lumiere project was approved in July 2008.

Second Units

Furthermore, the City has experienced increased development of second units in recent years. Between January 1, 2003 and December 31, 2006, a total of 67 second dwelling units (or an annual average of 17 units) were built in the City. The City estimates an additional 80 second units may be developed during the remaining four years of the 2005-2010 planning period based on recent trends. Pursuant to City regulations, second dwelling units, if rented, must be rented at rates affordable to lower income households.

Adequacy of Sites Inventory in Meeting RHNA

Overall, the City has the capacity to accommodate 5,291 additional units on existing and proposed residentially designated land, mixed use projects and redevelopment areas (**Table 3-12**). This capacity can potentially facilitate the development of 3,039 lower income, 577 moderate income, and 1,675 above moderate income units based on economic feasibility as it relates to densities. Combined, the City has land resources and programs (existing and proposed) to accommodate the remaining RHNA of 3,566 units for lower and moderate income households on properties designated for RH and RMH densities. Since the City has more capacity than necessary to satisfy RHNA lower income demands, the surplus can be applied to satisfy moderate income needs. As the RHNA for above-moderate income housing has already been satisfied by residences constructed through 2006, there is no remaining need to address for this income group.

Table 3-12
Adequacy of Sites in Meeting Remaining RHNA

Sites	Lower Income	Moderate Income	Above Moderate Income	Total
Residential Sites	1,470	569	1,675	3,714
Mixed Use Sites	1,473	0	0	1,473
Recently approved Proposals with Affordable Components ¹	16	8		24
Second Units	80	0	0	80
Total	3,039	577	1,675	5,291
RHNA Remaining	2,395	1,171	---	3,566
Difference	+644	-594	+1,675	+1,725

¹These projects, identified in Table 3-11, are in addition to those found in tables 3-1 and 3-2 and represent affordable housing approved since December 31, 2006.
Source: City of Carlsbad, May 2008.

The City's existing affordable housing program has been quite successful, despite severe market constraints related to the high cost of residential land. As shown in Table 2-15, Carlsbad property values are the second highest in the County, well above the County median. As discussed previously, there is a

significant gap between the cost of producing affordable housing and the ability to recover those costs in the price of the housing. This gap is especially intensified by higher property values, which typically constitute the largest proportion of housing production costs.

Due to the high land costs, the willingness of prospective home buyers to pay extremely high housing prices to live in this desirable coastal community, and higher construction costs for multi-family housing, housing developers have consistently opted to build predominantly low density single-family home projects rather than higher density attached dwelling units.

Prior to the adoption of the City's Affordable Housing Program in the early 1990s (discussed below), there were very few higher density multi-family housing projects developed by the residential development industry. In fact, even the single-family residential projects have historically been developed at densities lower than the City's Growth Management Control Point.

The primary objective of state housing legislation passed in 2004 (AB 2348) is to mandate higher residential densities so as to facilitate the development of affordable housing. For Carlsbad and other jurisdictions considered as urban metropolitan areas, AB 2348 assumes a default density of 30 units per acre is appropriate to enable lower income housing, unless a local government can demonstrate otherwise through means such as incentives and flexible development standards, that it can achieve the production of such housing below the default density. While the City acknowledges that the availability of higher density residential sites is directly related to the achievement of higher density housing, experience has demonstrated that in general, and especially in highly desirable coastal communities such as Carlsbad, the private housing market would not develop affordable housing solely because of the availability of high density land; instead, significant market intervention by local government is required.

Accordingly, in the early 1990s the City of Carlsbad implemented a comprehensive and rigorous Affordable Housing Program (i.e., the Inclusionary Housing Program, Municipal Code Chapter 21.85) that: 1) established a minimum 15-percent inclusionary lower-income housing mandate for all residential projects; 2) offered unlimited density increases; 3) allowed for modifications to development standards to accommodate higher densities; and 4) provided significant City affordable housing subsidies.

Carlsbad has tailored its existing housing program to greatly increase the probability of increased housing affordability. A key component of its Affordable Housing Program is to allow increased density on any residential site, provided there is an increase in the affordability of the development. A critical part of this component involves the City's Growth Management Program. As discussed later in Section 4.B, the City has been recapturing all dwelling units not utilized on sites where the development was below the Growth Management Control Point.

Resources Available

These excess dwelling units are set aside to be used for high priority housing needs, such as affordable housing.

The success of this approach is evidenced in **Table 3-13** below, which identifies built, approved, and recent potential projects that have received or propose increased density. The initial General Plan designation is kept at its original level and then the density is augmented through the City's Affordable Housing Program. For both the constructed and approved rental and for-sale products shown in Table 3-13, the original allowable density of the sites ranged from 2.0 to 6.0 units per acre. The resulting density for the constructed and approved projects in the table, after affordable housing density increases, ranged from 11.3 to 55.5 units per acre, with a vast majority of those projects being below 20 units per acre.

Table 3-13
Original and Current Density for Projects with Affordable Housing

Project/Quadrant¹	Unit Count	Year Completed	Original Site Density	Project Density
Villa Loma/SW	344	1996	6.0 du/ac	17.6 du/ac
Cherry Tree Walk/SW	42	1999	3.2 du/ac	14.0 du/ac
Laurel Tree/SW	138	2000	3.2 du/ac	15.3 du/ac
Poinsettia Station/SW	92	2000	4.8 du/ca	16.4 du/ac
Vista Las Flores/SW	28	2001	3.2 du/ac	13.7 du/ac
Sunny Creek/NE	50	2002	2.0 du/ac	23.8 du/ac
Cassia Heights/SE	56	2007	3.2 du/ac	21.1 du/ac
Poinsettia Place/SW ²	90	Approved (Not yet under construction)	3.2 du/ac; 6 du/ac	11.3 du/ac; 25 du/ac
Harding Street Senior Condominiums/NW ²	50	Approved (Not yet under construction)	6.0 du/ac	55.5 du/ac
Villa Francesca Senior Condominiums/NW	41	N/A – preliminary review	11.5 du/ac	48 du/ac
State and Oak Senior Condominiums/NW	35	N/A – preliminary review	15 – 35 du/ac (Village Redevelopment Area)	83 du/ac

Notes:

¹ All projects, except Poinsettia Place and Harding Street, Villa Francesca, and State and Oak, are 100 percent affordable to lower income families.

² Poinsettia Place was approved in 2006 and features 14 lower income units. Harding Street Senior Condominiums was approved in 2008 and features 15 low and moderate income units.

The last two projects in Table 3-13, Villa Francesca and State and Oak, are not approved and have not been formally submitted to the City. These proposals are preliminary review applications (PRE 08-21 and PRE 08-19). They are included here to demonstrate the continued developer interest in the increased density

opportunities provided through the Affordable Housing Program. Both projects feature market rate and lower-income units. Further, in keeping with the emphasis to develop mixed use projects in the Village Redevelopment Area, the preliminary review for the State and Oak project suggests a mix of both residential and commercial uses.

In summary, the Affordable Housing Program in Carlsbad shows that areas which can capture high housing prices due to desirable location can still produce affordable housing provided there is a regulatory mandate, development standards modifications, and subsidies from the City. Program 2.2 notes the City will continue to offer flexibility in development standards to facilitate the development of affordable housing.

Nevertheless, in recognition of AB 2348 and to strengthen its ability to accommodate its remaining RHNA, Carlsbad has proposed to redesignate certain sites at minimum densities of 12 (RMH) and 20 (RH) units per acre, all of which are densities proven by Tables 3-3 and 3-13 to be adequate for moderate and lower income housing in Carlsbad, respectively. The City has also committed to establishing the same minimum densities for remaining unentitled and underutilized properties in the RMH and RH land use designations, and 20 units per acre for mixed use projects. In the Village Redevelopment Area, the City has also committed to raising the minimum density to either 18 or 28 units per acre, depending on the land use district.

B. Financial Resources

Providing for an adequate level of housing opportunities for Carlsbad residents requires creative layering of funding. Often one single source of funding is inadequate to address the extensive needs and depth of subsidies required. The City must program the uses of limited funding effectively to maximize the number of households that can be assisted.

Two major sources of funding support affordable housing development in Carlsbad: Redevelopment Housing Set-Aside Fund and Affordable Housing Trust Fund. In addition, the City reserves a portion of the CDBG and HOME funds for affordable housing development. Other supplemental sources include Section 108 loan guarantee and Section 8 rental assistance. Another funding source, the City's Agricultural Conversion Mitigation Fee program, may be used to build farmworker housing.

The City's policy is to leverage, to the maximum extent feasible, the use of funds available in the development of affordable housing. The City supports the use of CDBG, HOME, and Redevelopment Housing Set Aside funds for predevelopment activities and "gap financing" of developments by private and nonprofit entities.

In 2006, Carlsbad and its Redevelopment Agency leveraged its financial resources to assist in the property acquisition for and construction of Cassia Heights and Roosevelt Gardens. These projects provide ownership and rental opportunities for

Resources Available

very low and low income persons. While Roosevelt Gardens is under construction, the first residents moved into Cassia Heights in 2007.

Together, Cassia Heights and Roosevelt Gardens provide 67 units of affordable housing. Since these projects were developed outside of the City's Inclusionary Housing Requirements, they fulfill the City's goal to provide 70 units of non-inclusionary housing in the current housing cycle as expressed in proposed Program 3.4.

More information about the City's financial resources is provided below.

Redevelopment Housing Set-Aside Funds

Pursuant to State Community Redevelopment Law, a redevelopment agency must set aside at least 20 percent of the tax increment revenues generated in a project area for purposes of low and moderate income housing.

The City of Carlsbad has two Redevelopment Project Areas: Carlsbad Village Redevelopment Area and South Carlsbad Coastal Redevelopment Area. The Carlsbad Village Redevelopment Area was adopted in 1981 and covers 200 acres, including the historic district of the City. The effectiveness of this Redevelopment Area will expire on July 7, 2009. The South Carlsbad Coastal Redevelopment Area was adopted on July 18, 2000. This area includes the Ponto Beach area and the Encina Power Generating Facility.

As of July 1, 2005, the Redevelopment Low and Moderate Income Housing Fund for these two areas had an unencumbered balance of \$2,064,215. Over the five-year period of the Housing Element, the Carlsbad Housing and Redevelopment Commission (Commission) anticipates a total of \$3.2 million in Redevelopment Housing Set-Aside funds to be generated in the two Redevelopment Areas (\$2.3 million from Carlsbad Village Redevelopment Area and \$948,000 from South Carlsbad Coastal Redevelopment Area). Funding will be used to support affordable housing development and homeownership assistance. Redevelopment set-aside funds of about \$2.6 million have been set aside for construction assistance for low and moderate income housing in the Robertson Ranch project (see Table 3-4) and for the planned rehabilitation of Tyler Court. Tyler Court is an existing 75-unit apartment complex restricted to occupancy by seniors with very low or extremely low incomes.

Affordable Housing Trust Fund

With the implementation of the City's Inclusionary Housing Ordinance, the City established a Housing Trust Fund to collect fees generated from the Inclusionary Housing In-Lieu Fee and the sale of affordable housing credits to satisfy a developer's inclusionary housing obligation. All fees collected are used exclusively to facilitate the construction, preservation, and maintenance of affordable housing pursuant to the City's Inclusionary Housing Ordinance. As of July 1, 2005, the Housing Trust Fund had an unencumbered balance of \$14,600,777.

The Inclusionary Housing In-Lieu Fee is the single biggest contributor to the Housing Trust Fund. The City's Inclusionary Housing Ordinance requires 15 percent of new residential development to be reserved as affordable to lower income households. Developers of small projects with no more than six units have the option to pay a fee in lieu of providing on-site affordable units. At the discretion of the City, other options to providing units on-site, such as dedicating land, may also be possible.

For the upcoming years (between FY 2008/09 and FY 2011/12), the City anticipates expending the Housing Trust Funds on a few major projects. Close to \$2.4 million has been set aside for acquisition of property for affordable housing (specific site to be determined). Another \$1.4 million will be used to assist the proposed Bridges at Aviara project lower-income apartment project. Also, \$1.1 million is identified for the approved Cantarini/Holly Springs project. Lastly, \$5.3 million has been set aside for the construction or rehabilitation of affordable housing (with specific project(s) to be determined). More information about these projects may be found in Tables 3-2 and 3-4, respectively. Lastly, \$5.3 million has been set aside for the construction or rehabilitation of affordable housing (with specific project(s) to be determined).

HOME/CDBG Housing Reserve

The Community Development Block Grant (CDBG) Program is administered by HUD. Through this program, the federal government provides funding to jurisdictions to undertake community development and housing activities. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low-and moderate-income. The City of Carlsbad receives an allocation of approximately \$500,000 in CDBG funds annually.

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The City participates in the San Diego County HOME Consortium and receives an allocation of approximately \$280,000 in HOME funds annually.

The City has established a Housing Reserve Fund with allocations from its CDBG and HOME Programs to accumulate funds for creating additional affordable housing opportunities in Carlsbad. Funds are used to help identify appropriate properties for possible acquisition and/or development of affordable units. Once an appropriate property is identified, Housing Reserve Funds may be reallocated for acquisition and/or development of a specific property.

Housing Reserve Funds were allocated to assist in purchasing the Tyler Court apartments in 1999 and acquisition of property at 2578 Roosevelt Street for affordable housing in March of 2004. An affordable housing developer has been selected to construct 11 affordable condominium units on the Roosevelt Street property, which is the approved Roosevelt Gardens project listed in Table 3-2.

CDBG Section 108 Loans

In the 1990s, the City received approximately \$1.2 million in a CDBG Section 108 loan to assist in the land acquisition for a 21-acre site for the construction of the Villa Loma Apartments. The City anticipates pursuing additional Section 108 loan guarantees to expand affordable housing opportunities in Carlsbad, as appropriate.

Section 8 Tenant-Based Rental Assistance Program

The Housing Choice Voucher Program is funded by HUD and administered by the City of Carlsbad Housing Agency. On average, the City utilizes roughly \$5.5 million from the Section 8 Rental Assistance Program.

According to the Carlsbad Housing Agency, approximately 1,940 households had received Section 8 assistance as of 2004. However, another 1,083 Carlsbad households were on the waiting list for Section 8 vouchers.

Agricultural Conversion Mitigation Fee Program

As certain, often historic, coastal agricultural lands develop, a mitigation fee of \$10,000 per acre is paid to the City. In 2005, Carlsbad established an ad hoc citizen's committee to advise the City Council on how the collected fees should be spent, which by that time had reached over \$6 million. Subsequently, the Committee solicited and evaluated funding proposals from organizations according to specific criteria. These criteria focus on restoration, preservation and enhancement of Carlsbad's natural and agricultural environment. To this end, an eligible funding category is the development of farmworker housing, whether in or out of the Coastal Zone.

In 2008, the City awarded a \$2 million grant from the collected fees to Catholic Charities to rebuild and expand the current La Posada de Guadalupe homeless shelter to provide farmworker housing. Following reconstruction, this facility will feature 50-72 beds for farmworkers in addition to the 50-beds that currently serve farmworkers and homeless men.

Currently, the Agricultural Conversion Mitigation Fee Program has an approximate balance of \$550,000. It is expected this fee could grow by another \$1 to 2 million as designated properties continue to develop. Carlsbad anticipates receiving and granting additional funding proposals, which could include farmworker housing, in 2008 and 2009.

The ad hoc citizen's advisory committee term will end in summer 2009 or upon the allocation of all funds, whichever occurs first. However, the City Council may also choose to renew the committee. It is not likely that all properties that would pay the mitigation fee would have developed by that time.

C. Administrative Capacity

The institutional structure and administrative capacity established to implement programs contained in the Housing Element include the City of Carlsbad, other public entities, and private developers, both for-profit and non-profit. The City works closely with private developers to construct, rehabilitate, and preserve affordable housing in the City.

City of Carlsbad

The City of Carlsbad's Housing and Redevelopment Department, Planning Department, and Building Department, under the organization of the Community Development Major Service Area, will be the lead departments in implementing a variety of programs and activities outlined in this Housing Element.

Housing and Redevelopment Department

The Housing and Redevelopment Department consists of the Carlsbad Housing Authority and Redevelopment Agency. Principal responsibilities of the Housing and Redevelopment Department include:

- Administering the CDBG program – A substantial amount of CDBG funds over the next five years will be allocated to projects that address the affordable housing needs of lower and moderate income households.
- Administering the Section 8 Housing Choice Voucher program – the Housing Authority provides approximately 650 Section 8 vouchers to eligible households.
- Implementing Housing Element programs – The Department will work with developers to create affordable housing opportunities for low income households.

Planning Department

Principal responsibilities of the Planning Department of the Community Development Major Service Area include:

- Preparing ordinances and policies to facilitate and encourage housing development for all income groups in Carlsbad.
- Assisting in the development of affordable housing.
- Tracking the number and affordability of new housing units built.

Building Department

Principal responsibilities of the Building Department include monitoring and reporting on existing housing units that are substandard and providing code enforcement services.

Housing Developers

Non-Profit Organizations

The City works with a number of for- and non-profit developers to create affordable housing using the Housing Trust Fund and Redevelopment Housing Set-Aside funds. The following affordable housing developers have expressed interest in developing and/or preserving affordable housing in San Diego County:

- Affordable Housing People
- Bridge Housing Corporation
- Chicano Federation of San Diego County
- Community Housing Group
- Community Housing of North County
- Community Housing Works
- Habitat for Humanity
- Housing Development Partners of San Diego
- Jamboree Housing
- MAAC Project

For-Profit Developers

Private, for-profit developers will assist in the effort of creating affordable housing in Carlsbad through the City's Inclusionary Housing Ordinance. Per the ordinance, at least 15 percent of all housing units approved for any master plan community, specific plan, or qualified subdivision must be affordable to lower income households.

4. Constraints and Mitigating Opportunities

A variety of factors can encourage or constrain the development, maintenance, and improvement of housing in Carlsbad, particularly for low and moderate income households. Its coastal location and mesa/canyon topography imposes physical and regulatory constraints, as well as commands high land costs that present challenging market constraints. This section provides an analysis of various potential and actual constraints to housing development and preservation in Carlsbad. When an actual constraint is identified, the Housing Element must consider actions and opportunities that can mitigate the constraints. While certain factors may increase the costs of housing, such as construction/labor costs, their impacts are similar throughout the region and therefore do not impose disadvantages on the City. These factors are considered potential, but not actual constraints.

A. Market Constraints

Land costs, construction costs, and market financing contribute to the cost of housing reinvestments and can potentially hinder the production of new affordable housing.

Land Cost

In most cities, land costs vary with site location, availability of infrastructure, and offsite conditions. In Carlsbad, location is the single greatest factor determining land prices. Carlsbad is a highly desirable place to live and many properties have coastal views. Proximity to freeway access, public facilities, and community image also contribute to the high land costs in the City.

The average cost per acre for a vacant single-family lot in September 2004 was \$903,236 per acre (**Table 4-1**). At that time, few vacant multi-family residential properties were for sale on the market. In September, the Multiple Listing Service (MLS) database listed one vacant multi-family lot where a four-plex could be built. The cost of this 0.13-acre lot was \$595,000. The cost of vacant residential land in Carlsbad is a significant market constraint to the production of new affordable housing.

Table 4-1
Vacant Land Prices: September 2004

Housing Type and Acres	Lot Size (acres)	Advertised Price	Average \$/acre
Single-Family	1.08	\$550,000	\$903,236
	2.50	\$550,000	
	0.57	\$650,000	
	0.14	\$898,500	
	0.48	\$900,000	
	3.31	\$990,000	
	0.57	\$1,000,000	
	0.12	\$1,100,000	
	1.89	\$2,990,000	
Multi-Family	0.13	\$595,000	\$4,576,923

Source: MLS Listings, September 2004.

Mitigation Opportunities

The City offers several opportunities to mitigate the impact of land costs on affordable housing development. Specifically:

- **Adequate Sites Inventory:** The City ensures, through land use planning actions, that an adequate supply of residential sites is available to meet the City's projected housing needs. This discussion is contained in Section 3, Resources Available.
- **Density Bonus:** The City offers density bonuses, pursuant to State law, to increase the yield (number of units) that can be achieved on a property, thereby reducing the per-unit land cost.
- **Eminent Domain/Friendly Condemnation:** The City may choose to acquire properties through friendly eminent domain proceedings. Through this process, the City is required to offer fair market value and the owner may accrue substantial tax benefits.
- **Land Banking/Surplus Land:** The City may acquire land and reserve it for future residential development. In addition to privately held properties, surplus land owned by the City and other public agencies offers additional opportunities for affordable housing. The acquired land can be resold with entitlement to a nonprofit developer at a reduced price to provide housing affordable to lower income households. The City may also accept land as an in-lieu contribution by a developer to fulfill the inclusionary housing requirement.

Construction and Labor Costs

The International Conference of Building Officials (ICBO) provides estimates on labor and material costs by type of construction. According to ICBO estimates, the average per-square-foot cost for “good” quality housing is approximately \$95 for multi-family housing and \$107 for single-family homes in California. Estimates are based on “good” quality Type V, wood-frame construction, providing materials and fixtures well above the minimum required by State and local building codes.

Historically, labor costs are relatively stable and fixed in comparison to land and improvement costs. However, in January 2002, Senate Bill 975 expanded the definition of public works and the application of the State’s prevailing wage requirements to such projects. It also expanded the definition of what constitutes public funds and captured significantly more projects beyond just public works (such as housing) that involve public/private partnerships. Except for self-help projects under SB972, the recently passed SB 975 requires payment of prevailing wages for most private projects constructed under an agreement with a public agency providing assistance to the project. As a result, the prevailing wage requirement substantially increases the cost of affordable housing construction.

Mitigating Opportunities

Both construction and labor costs are similar throughout the region. While these costs add to the overall cost of housing, they do not pose an actual constraint to housing development in Carlsbad. Nevertheless, the City offers a number of incentives and assistance to help reduce the cost of construction for affordable housing. These include: density bonus, and direct financing assistance using CDBG/HOME Housing Reserve Fund, Housing Trust Fund, and redevelopment housing set-aside fund.

Home Financing

Although interest rates have stabilized at relatively low levels over the past few years, they still have a substantial impact on housing costs for purchasers. An additional obstacle for homebuyers continues to be the downpayment required by lending institutions. These factors often affect demand for ownership housing, driving up or depressing housing prices.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions must disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or through government-backed programs. The primary concern in a review of lending activity is to see whether home financing is generally available to all income groups in the community.

Conventional Lending

Overall, 4,198 households applied for mortgage loans for homes in Carlsbad in 2003 (**Table 4-2**). Of the applications for conventional mortgage loans, approximately 70.9 percent were originated (approved by the lenders and accepted by the applicants). The overall denial rate was 9.3 percent, while 19.7 percent of the applications were withdrawn, closed for incompleteness, or received approval, but the applicant did not accept the loan.

Among households that applied for home purchase loans in 2003, 691 were low and moderate income. Low and moderate income applicants had only slightly higher denial rates compared to above moderate income applicants.

Among the 268 applications for home improvement loans in 2003, 47 percent were originated, 25 percent were denied, and 28 percent were withdrawn, closed for incompleteness, or received approval, but the applicant did not accept the loan. Denial rates among low and moderate income applicants were significantly higher than rates for above moderate income households. Most likely, lower and moderate income households had high debt-to-income ratios to qualify for a second loan for home improvements.

Table 4-2
Disposition of Home Purchase and
Home Improvement Loan Applications

Applicant Income	Home Purchase Loans				Home Improvement Loans			
	Total Apps.	% Orig.	% Denied	% Other*	Total Apps.	% Orig.	% Denied	% Other*
Low Income (<80% MFI)	178	69.4	11.9	18.7	31	35.4	38.7	25.8
Moderate Income (80 to 120% MFI)	513	66.9	11.3	21.8	56	42.9	32.1	25.0
Above Moderate (>120% MFI)	3,320	72.5	8.5	19	178	51.1	20.2	28.7
Not Available	187	56.7	16	27.2	3	33.3	0	66.6
Total	4,198	70.9	9.3	19.7	268	47.4	24.6	28

Source: Home Mortgage Disclosure Act (HMDA), 2003.

Notes:

*"Other" includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

Government-Backed Lending

In addition to conventional mortgages, HMDA (Home Mortgage Disclosure Act) tracks loans for government-backed financing (e.g. FHA, VA, or FSA/RHS).¹ However, home prices in Carlsbad often exceed the maximum home values established by these government-backed programs. In 2003, only 21 households applied for government-backed home mortgage loans for properties in Carlsbad. Of these applications, 62 percent were originated (approved by the lenders and accepted by the applicants), 19 percent were denied, and 19 percent were withdrawn, closed for incompleteness, or received approval, but the loan was not accepted by the applicant. Only one application for a government-backed home improvement loan was processed in 2003 and the loan was originated.

Mitigating Opportunities

Results of the HMDA analysis indicate a gap in the availability of home financing for lower and moderate income households, particularly for rehabilitation financing. The City will continue to offer a range of homebuyer assistance, as well as rehabilitation assistance programs for lower and moderate income households.

B. Government Constraints

Local policies and regulations can affect the price and availability of housing. Land use controls, growth management program, development standards, site improvements, fees and exactions, permit processing procedures, and other issues may present potential and actual constraints to the maintenance, development, and improvement of housing.

Land Use Controls

The Land Use Element of the Carlsbad General Plan sets forth policies for guiding local development. The distribution of land use designations within the City are based on several geographical and locational constraints. These constraints include: McClellan/Palomar Airport, San Diego Gas & Electric power plant, Encina wastewater treatment plant, regional commercial areas along Interstate 5 and Highway 78, open space reserves, habitat, beaches and lagoons, as well as the City's overall mesa/canyon topography. The airport, power plant and wastewater treatment plant preclude residential development in close proximity due to potential public health and safety concerns. The natural constraints such as hilly topography, beaches and lagoons also limit the extent and density of residential uses.

¹ Government-backed financing includes those backed by the Department of Veteran Affairs (VA), Federal Housing Administration (FHA), and Farm Service Agency/Rural Housing Services (FSA/RHS). Downpayment assistance, silent second, and other mortgage assistance programs offered by local jurisdictions are not tracked by HMDA.

Constraints and Mitigating Opportunities

Carlsbad's Land Use Element establishes five residential designations ranging in density from 1.0 dwelling unit per acre to 23.0 dwelling units per acre (**Table 4-3**). These designations apply to properties outside the Village Redevelopment Area. As discussed later under the Growth Management Plan, the Growth Control Point represents the residential cap invoked by Carlsbad's Growth Management Program. Certain findings regarding the provision of adequate facilities and the densities of neighboring developments must be made to exceed the Growth Control Point density cap.

Table 4-3
Land Use Designations and Implementing Zones

Land Use Designation	Allowed Density (du/ac)	Growth Control Point (du/ac)	Implementing Zone
RL- Residential Low Density	0.0 - 1.5	1.0	R-1, R-A, PC, RMHP
RLM – Residential Low Medium Density	0.0 – 4.0	3.2	R-1, R-A, PC, RMHP
RM – Residential Medium Density	4.0 – 8.0	6.0	R-1, R-2, RD-M, PC, RMHP
RMH – Residential Medium High Density	8.0 – 15.0	11.5	R-3, RD-M, PC, RMHP, R-P
RH – Residential High Density	15.0 – 23.0	19.0	R,3, RD-M, PC, RMHP, R-P, R-W

Source: Carlsbad General Plan, Amended September 13, 2005.

In the Village Redevelopment Area, Carlsbad has applied another, separate land use designation, V – Village. This designation permits both residential and non-residential uses, and the established density ranges are 15.0 to 23.0 and 15.0 to 35.0 dwelling units per acre. While no Growth Management Control Point has been established for Village residential development, all residential units approved in the Village must be withdrawn from the Excess Dwelling Unit Bank, which is a part of the Growth Management Plan discussed below.

Growth Management Plan

In the mid-1980s, Carlsbad experienced a construction boom. Growth rates exceeded ten percent and developers completed the most homes in the City's history – 2,612 – in 1986. Further, Carlsbad's General Plan established a residential capacity exceeding 100,000 units, which potentially meant over 80,000 more homes could be built. With the above in mind, residents expressed concern over the loss of small town identity, disappearance of open space, and potential for growth to outstrip public facilities and services.

Aware that development was creating public facility impacts to the community, the City began working on its Growth Management Program. Among the first action taken was reduction of the General Plan's residential capacity by approximately one-half in 1985. Subsequent actions included the adoption of a series of interim ordinances to restrict development while the formal Growth Management Program was finalized. In 1986, Carlsbad adopted a Citywide

Facilities and Improvements Plan that established much of the foundational aspects of the program. That year, the program was permanently enacted by ordinance.

Also in 1986, Carlsbad voters passed Proposition E, which ratified the City's Growth Management Plan. This program imposed very specific facility improvement and/or fee requirements for all new development and "locked in" the residential density controls which were already part of the program. The program divided the City into four quadrants and established a dwelling unit cap per quadrant. The cap for the entire City is 54,600 units, although the individual quadrant caps cannot be exceeded without approval from Carlsbad voters. The caps are further discussed below.

The Growth Management Program ensures that adequate public facilities and services are guaranteed at all times as growth occurs. This program establishes performance standards for eleven public facilities. The eleven public facilities addressed are city administration, library, waste-water treatment, parks, drainage, circulation, fire, open space, schools, sewer collection, and water distribution. The program requires that the appropriate public facilities must be available in conformance with the adopted performance standards in an area when new development occurs. Unless each of these eleven public facility standards has been complied with, no new development can occur.

Compliance with the Growth Management Program is planned for and provided through a three-tiered or phased planning process:

- *Citywide Facilities and Improvements Plan*, which adopted eleven public facility performance standards, defined the boundaries of twenty-five local facility management zones, and detailed existing public facilities and projected the ultimate public facility needs.
- *Local Facilities Management Plans* are prepared in each of the twenty-five zones and implement the provisions of the Growth Management Program. These plans phase all development and public facilities needs in accordance with the adopted performance standards, provide a detailed financing mechanism to ensure public facilities can be provided, are reviewed by City staff for accuracy, and are approved by the City Council after a public hearing.
- *Individual Projects* must comply with the provisions of the Local Facilities Management Plans, as well as implement provisions of the Citywide plan. The third phase of the program includes the review of individual projects to ensure compliance with all performance standards prior to the approval of any development permits.

The 1986 Citywide Facilities and Improvements Plan estimated the number of dwelling units that could be built as a result of the application of the General

Constraints and Mitigating Opportunities

Plan density ranges to individual projects. For the entire City at buildout, the estimate was 54,600 dwelling units or an estimated population of 135,000.

The purpose of this estimate was to provide an approximate ultimate number of future dwelling units and population citywide and for each quadrant for facility planning purposes. The City's Capital Improvement Plan, Growth Management Plan, and public facilities plans are all based on this estimate. To ensure that all necessary public facilities will be available concurrent with the need to serve new development, it was necessary to set a limit on the number of future residential dwelling units which can be constructed in the City based on the estimate.

The City determined the maximum number of future dwelling units which could be constructed in the four quadrants. The axis of the four quadrants is the intersection of El Camino Real and Palomar Airport Road. The maximum number of future dwelling units which may be constructed or approved in each quadrant after November 4, 1986, is as follows: Northwest Quadrant - 5,844 units; Northeast Quadrant - 6,166 units; Southwest Quadrant - 10,667 units; Southwest Quadrant - 10,801 units.

When the Growth Management Program was ratified by Carlsbad citizens through an initiative, the voters mandated that the City not approve any General Plan amendment, zone change, tentative subdivision map or other discretionary approval which could result in future residential development above the limit in any quadrant. This mandate will remain in effect unless changed by a majority vote of the Carlsbad electorate.

Growth Control Point

Before Proposition E was drafted in 1986, one major concern was how best to link development to the provision of public facilities and also assure that once the facilities were installed subsequent development would not exceed their capacities. When Proposition E was drafted, it created for each residential general plan designation a "Growth Management Control Point" (GMCP) at approximately the mid-point of the associated density range.

Per the Growth Management Program, the GMCP identified for each land use designation in **Table 4-3** represents a specific density (dwelling units per acre) to ensure residential development does not exceed the dwelling unit caps established for each quadrant. A development may not exceed the Growth Control Point unless the following three findings can be made:

- The project will provide sufficient public facilities for the density in excess of the control point to ensure that the adequacy for the City's public facilities plans will not be adversely impacted;
- There have been sufficient developments approved in the quadrant at densities below the control point to cover the units in the project above

- the control point so that approval will not result in exceeding the quadrant limit; and
- All necessary public facilities required by the Growth Management Ordinance will be constructed or are guaranteed to be constructed concurrently with the need for them created by the development and in compliance with adopted City standards.

The 2005-2010 Housing Element contains programs discussed in Section 3 that propose densities exceeding the GMCP. In some cases, the proposed densities also exceed the allowed density range for the RH land use designation as listed in Table 4-3 above. The density ranges for the RH and the other land use designations in the table are contained in the Growth Management Program. The RH designation establishes the highest density range in Carlsbad.

New Housing Element programs propose a minimum density of 12 units per acre in the RMH land use designation and 20 units per acre in the RH designation. These are 0.5 and 1 unit above their respective GMCP. Both proposed minimum densities are under the maximum density of 15 units per acre for the RMH and 23 units per acre for the RH General Plan designations. As with any project that exceeds the GMCP, the General Plan amendments necessary to approve these increased minimum densities must demonstrate compliance with the three findings above. The increased minimum densities would require a bank withdrawal of no more than 25 units. As discussed and shown in table 4-4 below, this and other withdrawal proposed as part of this Housing Element would not exceed the available bank balance.

Section 3 also discusses planned densities in the proposed Barrio and Village Redevelopment areas that exceed the RH designation's maximum density of 23 units per acre. The minimum density proposed for the Barrio Area is either 12 or 28 units per acre, depending on location; the minimum density proposed in the Village is either 18 or 28 units per acre, depending on the land use district. The Growth Management Program does not prohibit densities which exceed the maximum of the RH designation; instead the program requires the findings above to be made.

In this regard, recent changes to the Village Redevelopment Area development standards permitted a maximum density of 35 units per acre. Approval of these changes includes the determination that future development would remain consistent with growth projections and that no significant improvements would be required to public infrastructure. A similar analysis will be required as part of the planning to be done for the Barrio Area. Because densities planned for the Barrio Area exceed those that currently exist, units will need to be withdrawn from the Excess Dwelling Unit Bank, discussed in the following section.

Excess Dwelling Units

To ensure dwelling unit caps are not exceeded, Carlsbad developed a tracking system to account for projects approved both below and above the GMCP.

Constraints and Mitigating Opportunities

Projects that have developed below the GMCP, for example, generate “excess dwelling units” that are deposited into an “excess dwelling unit bank” that is maintained by quadrant. Likewise, proposals approved above the GMCP withdraw these excess units from the bank. As long as the specific unit withdrawal will not exceed the quadrant cap, projects are able to withdraw from the bank regardless of their quadrant location.

On February 6, 1990, the City Council established Council Policy Statement 43 to set out the procedures and policies regarding withdrawals from and the usage of dwelling units from the Excess Dwelling Unit Bank. On December 17, 2002, the City Council amended Policy Statement 43 to:

- Reduce the number of accumulated excess dwelling units available citywide at the time from 5,985 to 2,800;
- Authorize withdrawals from the bank to be utilized in "qualifying" projects anywhere within the city; and
- Establish that "qualifying" projects were limited to the following types of development proposals:
 - Projects that include a request for a density bonus;
 - Housing for lower or moderate-income families;
 - Senior housing;
 - Housing located within either of the City's two Redevelopment Project Areas, which includes the Village;
 - Transit-oriented/"smart growth" developments;
 - Conversions of general plan land use designations from non-residential to residential; and
 - Single-family developments, in infill-areas, under stipulated conditions.

The proposals identified in Section 3 to meet the City’s remaining Regional Housing Needs Assessment (RHNA) can be considered “qualifying” projects and thus eligible to withdraw units from the bank. This is because they propose densities appropriate for lower and moderate-income families, are located in the City’s redevelopment areas, and are located in smart growth or transit-oriented areas such as the proposed Barrio Area or Quarry Creek. Moreover, by limiting bank withdrawals to only qualifying projects and establishing criteria that favors higher density housing, availability of excess dwelling units for programs proposed in this Housing Element is a reasonable assumption.

Just as it removed units from the bank, the City Council also has the ability at any time to add units to the bank should it become necessary or desirable. The addition of units to the bank could equal the approximately 3,100 units removed in 2002 or some other quantity as long as that added amount did not cause the overall cap of 54,600 units to be exceeded.

Deposits and withdrawals to the Excess Dwelling Unit Bank and the number of existing and future units in each quadrant are monitored monthly. This information may be obtained from the City’s website at

<http://www.carlsbadca.gov/pdfdoc.html?pid=488>. The following projects approved over the past five years provide a good representation of the developments that have both contributed units to and received units from the bank:

- *Smith-Walsh* – A 2002 approval to change the General Plan designation from commercial to residential on approximately 5 acre property. This required a bank withdrawal of 30 units.
- *Cantarini/Holly Springs* – This large residential project, approved in 2004, deposited 374 units into the Northeast Quadrant bank. Cantarini/Holly Springs is environmentally constrained by habitat and topography and features significant natural open space and did not realize the full unit yield allowed by the project's then-General Plan designation.
- *The Bluffs* – Another 2004 approval, The Bluffs withdrew 17 units from the Northeast Quadrant bank to accommodate a density increase from 11.5 (the GMCP) to 14.6 units per acre. The Bluffs features ten condominiums affordable to very low income families.
- *State Street Mixed Use* – Because of its location in the Village Redevelopment Area, a withdrawal of six units was necessary for this project, which was approved in 2006.
- *Aura Circle* – This project, approved in 2007, contributed 12 units to the bank. An eleven lot single-family subdivision, over 80% of the 15 acre project site was set aside as habitat preserve. The General Plan designation for the property allowed 23 units.
- *Robertson Ranch* – This 2006 project required a withdrawal from the Northeast Quadrant bank of 171 units. A large master planned community, Robertson Ranch, now under construction, will feature over 1,100 units. The withdraw of bank units enabled over 500 units to be approved at densities exceeding the GMCP; as reported in Section 3, 465 were approved between 20 and 22.3 dwelling units per acre (du/ac), exceeding the GMCP of 19 du/ac; and 84 were approved at 12.4 du/ac, exceeding the GMCP of 11.5 du/ac.
- *Second Dwelling Units* – Individuals proposing to construct second dwelling units on their already developed properties must receive a unit withdrawal from the bank. Since 2003, 45 units have been withdrawn from the bank for this purpose.

As the above list demonstrates, developments throughout Carlsbad have withdrawn and deposited units into the Excess Dwelling Unit Bank and been constructed below and above the Growth Management Control Point. In the past, this has been primarily due to housing market conditions, including the desirability of building low density projects. Other reasons for developing below the Growth Control Point include environmental constraints, such as topography and sensitive habitat. However, approving densities below the Growth Control Point is now more difficult due to Government Code Section 65863, which incorporates state legislation (SB 2292) passed in 2004. More details about this law may be found in the section below on mitigating opportunities.

Mitigating Opportunities

As of December 1, 2008, the Excess Dwelling Unit Bank had a balance of 2,971 units. This number has changed little in the past year; in January 2008, the bank balance was 2,967. Overall, from January 2003 through December 2008, 349 units have been withdrawn from the bank and 520 units deposited. The previous section of the Housing Element, Housing Resources, indicates that the City has a remaining Regional Housing Needs Assessment (RHNA) of 3,566 units, including 2,395 units for lower income households and 1,171 units for moderate income households. In the past, the City has relied on withdrawals from the Excess Dwelling Unit Bank to facilitate the development of housing affordable to lower income households.

Tables 3-4, 3-6, 3-7, 3-9 and 3-10 identify proposed residential and mixed use sites and developments that could help accommodate the City's remaining lower and moderate income RHNA. Additionally, some of the sites listed in the tables would need the approval of General Plan Amendments and other planning document changes to re-designate the sites to allow residential uses or establish a higher residential density. Some of these identified sites currently allow for a maximum number of dwelling units (see "Dwelling Units Permitted" column in **Table 4-4**) based upon their site acreage multiplied by the Growth Control Point of the existing land use designation and less any existing units. Other identified sites currently do not permit residential uses, such as shopping center sites, or do not have any specific densities assigned to them for Growth Management Program compliance purposes, such as properties in the Village. Any dwelling units proposed above what is currently permitted would need to be withdrawn from the Excess Dwelling Unit Bank.

The City has a remaining RHNA of 3,566 lower and moderate income units. The identified sites, based on current Growth Control Point densities, allow for the development of 742 of the City's remaining lower and moderate income RHNA. The balance of the remaining lower and moderate income RHNA units (2,824 units) would need to be withdrawn from the Excess Dwelling Unit Bank. The existing 2,971 units in the Excess Dwelling Unit Bank (as of December 2008) are adequate to address the City need for lower and moderate income housing.

**Table 4-4
Dwelling Units Permitted on Vacant and Underutilized Residential
and Mixed Use Sites and Recently Approved Projects Based on Current
Growth Control Points**

Property	APN	Dwelling Units Permitted
Bridges at Aviara	Portions of 215-050-44 and 47	22
Ponto	216-140-17	0
Quarry Creek	Portions of 167-040-21	165
Vacant Unentitled RH Land	Various	224
Underutilized RH sites	Various	68
Second Dwelling Units	Various	0
Village Redevelopment Area	Various	0
Commercial Mixed Use Ponto	Portion of 216-140-18	0
Vacant Unentitled RMH Land	Various	91
Underutilized RMH Land	Various	96
Shopping Center Mixed Use	Various	0
Proposed Barrio Area	Various	70
Recently Approved Projects with Affordable Housing (Harding Street Senior Project) ¹	204-192-12	6
Total		742

Notes:

¹ These projects are found in Table 3-11. Of the three projects identified in Table 3-11, only the Harding Street Project is counted in this Table 4-4. For purposes of this Housing Element, all 15 affordable units in the Harding Street project have been withdrawn from the Excess Dwelling Unit Bank. Overall, the project requires a 44 unit bank withdrawal when also factoring in its market rate units.

The other two projects in Table 3-11, Lumiere and Roosevelt Street, do not require additional bank withdrawals. The Lumiere project is part of the Village Redevelopment Area (already counted above) and the Roosevelt Street project rehabilitates existing units and thus requires no units from the Excess Dwelling Unit Bank.

In addition to ensuring adequate units exist in the Excess Dwelling Unit Bank, it is also necessary to verify that the identified sites do not cause the dwelling unit caps of each quadrant to be exceeded. **Table 4-5** provides this analysis to demonstrate that quadrant caps will not be exceeded. In the "Identified Sites" column, reported are the number of units that would be withdrawn from the Excess Dwelling Unit Bank and that are in addition to any units already permitted on the sites by existing General Plan designations and densities, as identified in Table 4-4. As shown below, since per quadrant totals under "Identified Sites" are fewer than the per quadrant totals under "Future Units," each quadrant has sufficient capacity to accommodate proposed Housing Element programs, as indicated by the per quadrant totals under "Remaining Future Units."

Table 4-5
Analysis of Identified Sites Compared to Quadrant Dwelling Unit Caps

Quadrant	Quadrant Cap¹	Existing Units²	Future Units²	Identified Sites³	Remaining Future Units
Northwest	15,370	12,831	2,539	1,513	1,026
Northeast	9,042	5,521	3,521	362	3,159
Southwest	12,859	10,914	1,945	219	1,726
Southeast	17,328	14,010	2,318	203	2,115

Notes:

¹ Based on Proposition "E" Caps added to the existing units in 1986.

² As of December 1, 2008

³ Included in totals are the 80 second dwelling units estimated to be built during the Housing Cycle. These units are divided up evenly among the four quadrants.

Government Code 65863 (Assembly Bill SB 2292)

SB 2292 prohibits local governments, with certain exceptions, from approving residential projects at a density below that used to demonstrate compliance with Housing Element law. For Carlsbad, the GMCP has been the density used to demonstrate compliance with Housing Element law. In this 2005-2010 Housing Element, compliance is demonstrated not only by the Growth Control Point but also by new minimum densities that exceed it as discussed in Section 3.

Pursuant to California Government Code Section 65863, the City shall not by administrative, quasi-judicial, or legislative action, reduce, require or permit the reduction of residential density on any parcel to a density below that which was utilized by the California Department of Housing and Community Development in determining compliance with housing element law, unless, the City makes written findings supported by substantial evidence of both of the following:

- a. The reduction is consistent with the adopted general plan, including the housing element.
- b. The remaining sites identified in the housing element are adequate to accommodate the City's share of the regional housing need pursuant to Government Code Section 65584.

If a reduction in residential density for any parcel would result in the remaining sites identified in the Housing Element not being adequate to accommodate the City's share of the regional housing need, the City may reduce the density on that parcel provided it identifies sufficient additional, adequate, and available sites with an equal or greater residential density so that there is no net loss of residential unit capacity.

The City shall be solely responsible for compliance with Government Code Section 65863, unless a project applicant requests in his or her initial application, as submitted, a density that would result in the remaining sites in the housing element not being adequate to accommodate the City's share of the

regional housing need. In that case, the City may require the project applicant to comply with Government Code Section 65863. In such cases, the findings would be made as part of the permit approval process. For the purposes of determining or requiring compliance with Government Code Section 65863, the submission of an application does not depend on the application being deemed complete or being accepted by the City.

Government Code Section 65863 does not apply to parcels that, prior to January 1, 2003, were either 1) subject to a development agreement, or 2) parcels for which an application for a subdivision map had been submitted.

It should be noted that residential projects with densities below the GMCP deposit their unused units into the Excess Dwelling Unit Bank. These excess units are available for allocation to other projects anywhere in Carlsbad. Accordingly, there is no net loss of the residential unit capacity used to determine compliance with state housing law.

Local Facility Management Plan

To facilitate effective implementation of the Growth Management Plan, the City is split into 25 different facility zones and requires the preparation of a Local Facility Management Plan (LFMP) for each zone prior to approving development in the affected zone. LFMPs have been prepared and development has occurred in all the City's zones, except for Zone 25, located in Carlsbad's north end. The Quarry Creek site, portions of which will be redesignated for RH and RMH land uses as part of a new Housing Element program, is in Zone 25. The City estimates that preparation of a city-initiated LFMP, and related general plan and zoning amendments and an environmental impact report will take two years.

Provisions for a Variety of Housing Types

Carlsbad's Zoning Ordinance accommodates a range of housing types in the community. Housing types permitted include standard single-family and multi-family housing, mobile homes, second units, mixed-use opportunities, as well as housing to meet special housing needs, such as farm labor housing, and housing for persons with disabilities. **Table 4-6** summarizes and the following text describes the types of housing permitted in each residential and commercial zone.

**Table 4-6
Housing Types by Residential Zone Category**

Uses	E-A	R-E	R-A	R-1	R-2	R-3	R-P	R-W	R-DM	R-T	RMHP	PC
One Family Homes	A	P	P	P	P	p ³	p ⁵	p ³	p ⁸			P
Two Family Homes					P	P	p ⁶	P	P			P
Multi-Family Housing					p ²	p ⁴	p ⁴	p ⁴	P			P
Second Units		A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹	A ¹		p ⁸
Mobile Homes	A	P	P	P	P	p ³		p ³			P	P
Large Residential Care Facility (>6 persons)						C	C ⁷					P
Small Residential Care Facility (≤6 persons)	A	P	P	P	P	P	P	P				P

Source: City of Carlsbad Municipal Code, Amended September 28, 2004.

Notes: A=Permitted Accessory Use; P=Permitted Use; C=Conditionally Permitted Use

¹ Accessory to one-family dwelling only.

² A multiple-family dwelling with a maximum of four (4) units may be erected when the side lot line of a lot abuts R-P, commercial or industrial zoned lots, but in no case shall the property consist of more than one lot, or be more than 90 feet in width.

³ One-family dwellings are permitted when developed as two or more detached units on one lot. Also, a single one-family dwelling shall be permitted on any legal lot that existed as of September 28, 2004, and which is designated and zoned for residential use.

⁴ With approval of a Site Development Plan.

⁵ When the zone implements the RMH or RH land use designation.

⁶ When the zone implements the RMH land use designation.

⁷ When the zone implements the O land use designation.

⁸ Permitted when the zone implements the RM land use designation. Otherwise, one-family dwellings are permitted when developed as two or more detached units on one lot. Also, a single one-family dwelling shall be permitted on any legal lot that existed as of September 28, 2004, and which is designated and zoned for residential use.

Multi-Family Units

Multi-family units comprise roughly 29 percent of Carlsbad's housing stock and are permitted in six of the City's residential zones. Two-family units are permitted in the R-2, R-3, R-DM, R-W, and PC zones, while multi-family uses up to four units are permitted in the R-2 zone when the side lot line of a lot abuts R-P, commercial, or industrial zoned lots. Larger multi-family projects are permitted in the R-3, R-DM, R-W, and PC zones with approval of a Site Development Plan.

Second Units

Second dwelling units are permitted as an accessory use to a one-family dwelling in the R-E, R-A, R-1, R-2, R-3, R-P, R-W, R-DM, and R-T zones. City regulations require that if rented, second units must be rented at rates that are affordable to low income households.

Manufactured Housing and Mobile Homes

State housing law requires communities to allow manufactured housing by right on lots zoned for single-family dwellings. However, the City can regulate the architectural design of a manufactured home or mobile home. The City's current requirements for manufactured housing and mobile homes comply with State law. Mobile homes parks are also permitted in the RMHP zone.

Transitional Housing

Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments and typically offers case management and support services to return people to independent living (usually between 6 and 24 months).

Currently, the Carlsbad Zoning Ordinance does not explicitly address transitional housing facilities. The City will amend the Zoning Ordinance to differentiate transitional housing in the form of group quarters from transitional housing as multi-family rental housing developments. For transitional housing facilities that operate as multi-family rental housing developments, such uses will be permitted by right where multi-family housing is permitted and will be subject to the same development standards.

For transitional housing facilities that operate as group quarters, such facilities will be permitted as community care residential facilities (see discussions under Licensed Community Care Facilities). Potential conditions for approval of large residential care facilities (for more than six persons) as transitional housing may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.

Supportive Housing

The California Health and Safety Code (50675.14 [b]) defines supportive housing as housing with no limit on length of stay that is occupied by a target population as defined in subdivision (d) of Section 53260, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population includes adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5, commencing with Section 4500, of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care

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system, individuals exiting from institutional settings, veterans, or homeless people.

Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments. Supportive housing usually includes a service component either on- or off-site to assist the tenants in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

The Carlsbad Zoning Ordinance does not currently address the provision of supportive housing. The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters from multi-family rental housing developments. For supportive housing facilities that operate as multi-family rental housing developments, such uses will be permitted by right where multi-family housing is permitted and will be subject to the same development standards.

For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. Potential conditions for approval of supportive housing for more than six persons may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.

Emergency Shelters

An emergency shelter is a facility that houses homeless persons on a limited short-term basis. The Zoning Ordinance does not currently reference emergency shelters directly, although churches may provide temporary shelter.

In 2008, the City awarded a \$2 million grant from collected Agriculture Conversion Mitigation Fees (see Section 3 for more information) to Catholic Charities to rebuild and expand the current year-round La Posada de Guadalupe homeless shelter to provide farmworker housing. Following reconstruction, this facility will feature 50-72 beds for farmworkers in addition to the 50-beds that currently serve farmworkers and homeless men. Additionally, the City's funding grant stipulated that the farmworker portion of Catholic Charities proposed shelter expansion be converted to accommodate homeless persons, including families, should agriculture in Carlsbad ever diminish to the point that farmworker housing is unnecessary.

In addition to serving as the site of an existing 50-bed farmworker and homeless shelter, the City also participates in regional homeless programs. Most recently, Carlsbad supported through funding the multi-jurisdictional North County Regional Winter Shelter Program. One of the shelters that is part of this Program is La Posada de Guadalupe. Carlsbad is also served by other homeless shelters and programs as identified in Table 2-11.

In compliance with SB 2, this Housing Element has included a program to permit emergency shelters by right in the City in the Planned Industrial (P-M) and Industrial (M) zones. In some cases, for reasons explained below, it may also be necessary to amend a property's Qualified Development (Q) Overlay.

The P-M and M zones apply to most of the City's industrial and business park areas, and they are well served by major transportation and bus routes. The La Posada de Guadalupe homeless shelter discussed above is in the M Zone. Furthermore, locating these shelters in the City's industrial zones is consistent with City Council direction given in 2005.

The P-M and M zones contain over 2,000 acres of mostly developed properties in Carlsbad. Located in a corridor stretching from Avenida Encinas near the Pacific Ocean to Carlsbad's eastern boundary with San Marcos and Vista, properties in these zones are served by Palomar Airport Road and El Camino Real, two of the City's major arterials. These zones and business and industrial parks within them surround McClellan-Palomar Airport. For safety and noise reasons, uses near the airport are generally limited to low intensity, non-residential uses, such as manufacturing, warehousing, and office uses. Limited commercial uses are also located in specific areas around the airport and in the P-M and M zones to serve the business park population. These uses include business hotels, restaurants, industrial medicine clinics, as well as day-to-day support services, such as office supply stores, general medical practitioners (e.g., dentists, optometrists), barbers, and banks.

While the M and P-M zones are substantial in size and are well served by transportation and services, three constraints limit the locational choices for an emergency shelter within these zones:

- Due to the proximity of McClellan-Palomar Airport, many properties in the M and P-M zones are located in the airport's Flight Activity Zone (FAZ). The FAZs mark the primary airplane approach and departure paths, and properties within them are unsuitable for uses that allow the congregation of large groups of people, such as a movie theater, a church, or an emergency shelter.
- Many properties within the P-M Zone are governed by private conditions, covenants, and restrictions (CC&Rs). Generally, these CC&Rs prohibit residential uses of any kind.
- Some properties in the M Zone also have a Qualified Development (Q) Overlay. These overlays may impose restrictions that prohibit residential or transient uses or they may simply refer to the underlying zone (i.e., the M or P-M) for the list of allowable uses.

With the above limitations in mind, potential emergency shelter locations are available in these zones. Approximately 240 acres are unconstrained either by CC&Rs or FAZs and therefore could be considered for shelters. Approximately 100 of these acres have a Q Overlay. All such sites have a General Plan

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designation of Planned Industrial (PI) or Planned Industrial/Open Space (PI/OS), the latter of which primarily recognizes the preservation of steep hillside areas next to some developed industrial areas. Furthermore, of the available sites, approximately 13.5 acres are vacant; these vacant acres are zoned P-M and do not have a Q Overlay.

As the majority (95%) of the unconstrained acreage is developed, other considerations given to determining property availability were vacancy rates for industrial and office space and whether any of the sites could be considered “underutilized.” An underutilized site may have characteristics, such as structure age or low improvement value, which may increase the likelihood for redevelopment or reuse as an emergency shelter. To determine if a site was underutilized, County Assessor’s information was reviewed to determine if any site had a land value greater than its improvement value. Based on that review, none of the unconstrained sites were determined to be underutilized.

In addition, industrial and office vacancy rates were also considered. Since 2000, Carlsbad has experienced a significant amount of non-residential construction. The majority of this construction has taken the form of industrial and office buildings in the City’s industrial and business parks, rather than in the form of commercial buildings. During the period 2000 to 2007, the City permitted over 7,000,000 square feet of new, non-residential space, most of which occurred in the M and P-M zones.

Because of the significant amount of construction, vacancy rates for both office and industrial uses are high and provide the opportunity for emergency shelters to locate in currently vacant buildings. According to an October 2, 2007, absorption study prepared by Empire Economics for the City’s consideration of Community Facilities District #3, industrial and office vacancy rates were 12.5% and 22.6%, respectively. The report noted that this was significantly higher than vacancy rates of San Diego County as a whole, which were 6.8% and 12.2% for industrial and office uses.

Additionally, these high vacancy rates do not portend a new trend. For example, a December 31, 1999, Financial Status Report prepared by the City’s Finance Department stated “the City continues to experience a relatively high vacancy rate with commercial/industrial sites within the area due to a high development rate in previous fiscal years.” The report also discussed the lack of finished industrial land in Carlsbad, which was soon remedied by the significant non-residential construction that took place beginning in 2000 and that continues today.

Carlsbad believes high vacancy rates will continue at least through the remainder of the current Housing Element cycle, thereby providing increased opportunities for homeless shelters to locate in the City. For example, a July 19, 2008, San Diego Union Tribune article accessed on SignOnSanDiego.com, and entitled “16% office vacancy rates seen in County,” reported vacancy rates for Carlsbad office space at 24%.

Additionally, large projects in the City's industrial and business park corridor, such as Bressi Ranch and the Carlsbad Forum and Raceway projects, still have a number of vacant lots. Carlsbad Oaks North, a very large business park development situated east of the airport, has yet to see any building construction. According to its environmental impact report, Carlsbad Oaks North has the potential to add nearly 2,000,000 square feet of industrial and office space.

Overall, the City's Finance Department estimates that vacant, non-residential acreage in Carlsbad should remain available for construction through 2015. While these projects are identified to help underscore the likelihood of high vacancy rates over at least the next few years, it should be noted that by and large these projects are not suitable as sites for emergency shelters because of restrictions imposed by FAZs and CC&Rs.

Emergency shelters will be subject to the same development standards applied to other development in the zone in which they are to be permitted. Furthermore, pursuant to State law, the City may establish objective development standards to regulate the following:

- The maximum number of beds/persons permitted to be served nightly;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zone;
- The size/location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

Furthermore, as with all uses locating in the P-M or M zones, siting an emergency shelter will require consideration be given to the presence of surrounding industrial uses that may employ chemicals or hazardous materials or procedures that could pose a threat. Such surrounding uses may render a potential emergency shelter location as unsuitable or may require additional building requirements. It is not possible to determine if such conditions exist until a specific site is identified.

In addition, the City will provide financial support to regional emergency shelter programs.

Farm Labor Housing

The City permits agricultural use as a permitted use in many zones, including:

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- Exclusive Agricultural (E-A)
- Residential Agricultural (R-A)
- Rural Residential Estate (R-E)
- One-Family Residential (R-1)
- Two-Family Residential (R-2)
- Multiple-Family Residential (R-3)
- Open Space (O-S)

While the City has established a zoning district of Exclusive Agricultural (E-A), only three, small scattered properties are zoned E-A.

Pursuant to the State Employee Housing Act (Section 17000 of the Health and Safety Code), employee housing for agricultural workers consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household is permitted by right in an agricultural land use designation. Therefore, for properties that permit agricultural uses by right, a local jurisdiction may not treat employee housing that meets the above criteria any differently than an agricultural use.

Furthermore, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation, according to the Employee Housing Act. Employee housing for six or fewer persons is permitted where a single-family residence is permitted. No conditional or special use permit or variance is required.

In 2004, the City amended the Zoning Ordinance to conditionally permit farm labor housing for more than 12 persons in a group quarters or 12 units/spaces for households in the E-A, R-P, O, C-1, C-2, C-T, C-M, M, P-M, P-U, O-S, C-F and C-L zones. The Zoning Ordinance will be amended again to reflect changes to State Employee Housing Act regarding by right farm labor housing.

Alternative Housing

Recent state legislation requires housing elements to identify zoning to encourage and facilitate housing for extremely low income households, including single-room occupancy units (SROs). Currently, SROs are provisionally or conditionally permitted as “Managed Living Units” in specific land use districts of the City’s Village Redevelopment Area. A Managed Living Unit ordinance has been drafted. The draft ordinance defines managed living unit as a “guest room within a Managed Living Unit project which is designed and intended for transient occupancy of daily, weekly or longer tenancy or permanent residency, providing sleeping or living facilities for one or two persons, in which a full bathroom and a partial kitchen are provided.” The Housing Element includes a program to pursue adoption of the Managed Living Units Ordinance to conditionally permit such housing in the Village Area. The conditions for approval will focus on performance standards such as parking, security, management, and site design to ensure such housing is well integrated into the

surrounding uses. Development standards for SROs will be similar to efficiency or studio units in order to facilitate and encourage the development of such housing as a viable option for lower income persons.

Licensed Community Care Facilities

The California Health and Safety Code requires that certain community care facilities serving six or fewer persons be permitted by right in residential zones. Moreover, such facilities cannot be subject to requirements (development standards, fees, etc) more stringent than single-family homes in the same district. The Carlsbad Zoning Ordinance states that residents and operators of a residential care facility serving six or fewer persons are considered a "family" for purposes of any zoning regulation relating to residential use of such facilities. Therefore, small residential care facilities are permitted under the same conditions and in the same locations as one-family, two-family, and multiple-family dwellings. Residential care facilities serving more than six persons are conditionally permitted in the R-3, R-D-M and C-2 zones and the R-P zone when that zone implements the RMH or RH land use designation.

The City has no distance requirements for residential care facilities. Conditions for approval relate to setback and parking requirements, compatibility with surrounding uses, ingress/egress, consistency with the General Plan and other City plans, requirements by the City's Fire Department, and compliance with State Department of Social Services licensing requirements. Furthermore, the Zoning Ordinance provides that on appeal, the City Council may modify these requirements provided that the modifications would not impact the health and safety of the residents. The City's conditions for approval have not served to constrain the development of residential care facilities in Carlsbad. According to the State Department of Social Services Licensing Division, 29 licensed residential care facilities for elderly and adult are located in Carlsbad. Among these facilities, one-third (10 facilities) are larger than six beds. These ten larger facilities total over 2,000 beds.

Housing for Persons with Disabilities

The State Housing Element law requires a jurisdiction review its policies and regulations regarding housing for persons with disabilities.

Zoning and Land Use: The City of Carlsbad complies with the State law regarding small licensed community care facilities for six and fewer persons. Facilities serving more than six persons are conditionally permitted in the R-3, R-D-M, C-2 and R-P zones (see discussion above under "Licensed Community Care Facilities").

Furthermore, the Carlsbad Zoning Ordinance provides for the development of multi-family housing in the R-2, R-3, R-P, R-W, R-DM, and P-C (as provided through master plans) zones. Regular multi-family housing for persons with special needs, such as apartments for seniors and the disabled, are considered

regular residential uses permitted by right in these zones. The City's land use policies and zoning provisions do not constrain the development of such housing.

Definition of Family: Local governments may restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities but not for housing families that are similarly sized or situated.²

The City of Carlsbad Zoning Ordinance defines a "family" as "a reasonable number of persons who constitute a bona fide single housekeeping unit. Residents and operators of a residential care facility serving six or fewer persons shall be considered a family for purposes of any zoning regulation relating to residential use of such facilities." However, since the Zoning Ordinance does not differentiate between related and unrelated individuals nor does it specify the number of persons to be considered reasonable, this definition is not considered restrictive nor does it present a constraint to housing for persons with disabilities. Nevertheless, the City will remove the definition of family from its Zoning Ordinance.

Building Codes: The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Compliance with provisions of the Code of Regulations, California Building Standards Code, and federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Department as a part of the building permit submittal.

Reasonable Accommodation Procedure: Both the Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and access housing.

Requests for reasonable accommodations with regard to zoning, permit processing, and building codes are reviewed and processed by either the Planning or Building Department on a case-by-case basis, depending on the

² California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.

nature of the requests. However, the City does not have a formal procedure for processing requests for reasonable accommodation.

Mitigating Opportunities

The City recognizes the importance of providing a variety of housing to meet the varied needs of its residents. The City will amend its Zoning Ordinance to address the following types of housing:

- **Emergency Shelters, Transitional Housing, and Supportive Housing:**
 - The City will amend the Zoning Ordinance to permit emergency shelters by right in a specified zone.
 - The City will amend the Zoning Ordinance to clearly define the transitional housing and supportive housing. When such housing is developed as group quarters, they should be permitted as residential care facilities. When operated as regular multi-family rental housing, transitional and supportive housing should be permitted as permitted by right as multi-family residential use in multi-family zones.
 - The City shall continue its participation annually and financially in regional programs, such as the North County Regional Winter Shelter Program, which utilizes the La Posada de Guadalupe men's homeless/farmworker shelter in Carlsbad and other emergency shelters to provide emergency shelter in the local area.
- **Farmworker Housing:** To comply with Health and Safety Code Section 17021.6, the City will amend the Zoning Ordinance to permit by right farmworker housing of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single-family or household on properties where agricultural uses are permitted.
- **Managed Living Units:** The City will adopt an ordinance to conditionally permit and establish standards for managed living units in certain land use districts of the Village Redevelopment Area.
- **Reasonable Accommodation Procedure:** In addition, the City will adopt an ordinance to establish a formal policy on reasonable accommodation. The ordinance will specify the types of requests that may be considered reasonable accommodation, the procedure and reviewing/approval bodies for the requests, and waivers that the City may offer to facilitate the development and rehabilitation of housing for persons with disabilities.

Residential Development Standards

Carlsbad regulates the type, location, appearance, and scale of residential development primarily through the Zoning Ordinance. Zoning regulations are designed to maintain the quality of neighborhoods, protect the health, safety,

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and general welfare of the community, and implement the policies of the City's General Plan. **Table 4-7** summarizes the residential development standards in Carlsbad.

**Table 4-7
Basic Residential Development Standards**

Characteristic of Lot, Location & Height	R-E	R-A	R-1	R-2	R-3	RD-M	R-W	R-T	R-P	RMHP
Minimum Net Lot Area (in square feet)	43,560 (1 acre)	7,500- 21,780	6,000- 21,780	6,000- 7,500	7,500	6,000- 10,000	5,000	7,500	7,500	3,000- 3,500
Density Ranges (in du/ acre)	0-1.5	0-4	0-8	4-8	8-23	4-23	15-23	—	8-23	—
Minimum Lot Width (feet)	300'	60'-80'	60'-80'	60'-80'	50'-60'	60'	40'	—	60'-80'	50'
Maximum Lot Coverage	20%	40%	40%	50%	60%	60%	75%	—	60%	75%
Minimum Setbacks (feet)										
Front	70'	20'	20'	20'	20'	10'-20'	10'	20'	20'	5'
Side	15'-50'	5'-10'	5'-10'	5'-10'	5'-10'	5'-10'	4'-8'	5'-10'	5'-10'	3'
Rear	--	--	10'-20'	10'-20'	10'-20'	10'	8'	20'	20'	3'-5'
Maximum Height (in feet)	35'	24'-35'	24'-35'	24'-35'	35'	35'	35'	35'	35'	--

Source: City of Carlsbad, 2005.

Notes:

¹For key lots and lots which side upon commercially or industrially zoned property, the minimum setback is 15 feet.

²Interior lot side yards must have a minimum setback of 10 percent of the lot width, but must be within 5 to 10 feet. Corner lot side yards facing the street must be 10 feet and extend the length of the lot.

³A minimum of 15-foot setback permitted providing carport or garage openings do not face the front yard and a minimum of 10 feet providing carport or garage openings do not face the yard and that the remaining front yard is landscaped with a combination of flowers, shrubs, trees, and irrigated with a sprinkler system plans shall be approved by the planning director prior to issuance of a building permit for a proposed structure. Equal to 20 percent of lot width, not to exceed 20 feet.

Building Standards

Single-family home projects typically range from four units per acre in the R-A zone to eight units per acre in the R-1 zone, depending on which General Plan land use designation the zone implements, specific site conditions, and amenities provided. In addition, one unit per lot is permitted in the R-E zone.

Multi-family developments range from 4 to 23 units per acre in various zones, including the R-2, R-3, R-W or RDM zones, depending on which General Plan land use designation the zone implements, specific site conditions, and amenities provided.

The maximum height permitted in all zones is between 24 and 35 feet. Minimum lot area ranges from 3,000 square feet in the RMHP zone to 1 acre in the R-E zone. Residential developments are required to provide a reasonable amount of open space per unit; therefore, a maximum lot coverage of 40 to 60 percent of available land can be developed within each zone. Overall, the City's development standards are typical and consistent with a community that is constrained by its hilly topography.

Parking

Parking requirements in Carlsbad vary depending on housing type, based on anticipated parking needs (**Table 4-8**). The City's parking standards are the same as or lower than many communities in the San Diego region and therefore do not serve to constrain residential development.³ Furthermore, the City has a demonstrated history of making concessions (such as reduced parking requirements) in order to facilitate affordable housing development. The City has also approved reduced parking standards and increased densities to foster redevelopment in the Village Area.

³ Parking standards for the cities of Escondido, Oceanside, San Marcos, Santee, and Vista, and the County of San Diego were reviewed. These communities have adopted parking standards that are virtually the same, indicating consistent parking requirements in the region.

Table 4-8
Parking Requirements

Use	Parking Requirement
Standard single family dwellings in R-1, R-A, E-A and RE Zones	2 spaces per unit in a garage.
Planned Unit Developments or Condominiums	Studio: 1.5 covered spaces per unit Other units: 2.0 covered spaces per unit Guest parking: 0.5 spaces per unit (<10 units); 5 spaces plus 0.25 spaces per unit (over 10 units)
Apartments	Studio and 1-bedroom: 1.5 spaces per unit 2+Bedrooms: 2.0 spaces per unit Guest parking: 0.5 spaces per unit (<10 units) 5 spaces plus 0.25 spaces per unit (over 10 units)
Mobile homes in mobile home parks.	2.0 spaces per mobile home plus 1.0 guest space per 4 units.
Second dwelling units	1.0 space per unit.
Residential care facilities	2.0 spaces plus one guest space per three beds.
Housing for seniors	1.5 spaces per unit plus one guest space per five units.

Source: City of Carlsbad Municipal Code, 2005.

On- and Off-Site Improvements

Requirements for on- and off-site improvements vary depending on the presence of existing improvements, as well as the size and nature of the proposed development. In general, most residential areas in Carlsbad are served with existing infrastructure. Developers are responsible for all on-site improvements, including parking, landscaping, open space development, walkways, and all utility connections.

On- and off-site improvement standards are specified in the General Design Standards developed by the Public Works Department, Engineering Division. The General Design Standards covers standards for: public streets and traffic; private streets and driveways; drainage and storm drains; sewer lines; and grading and erosion controls.

The City of Carlsbad's fee structure includes some on- and off-site improvements. Off-site improvement fees include drainage and sewer facility fees, school fees, park land fees, and public facility fees, among others.

Mitigating Opportunities

Pursuant to the State density bonus law, the City offers density increases and/or in-lieu incentives in order to facilitate the development of housing affordable to lower and moderate income households. Depending on the percentage of affordable units and level of affordability, a maximum density bonus of 35 percent may be achieved. Pursuant to the City's Zoning Ordinance, incentives in-lieu of density increases may include the following:

Constraints and Mitigating Opportunities

- A reduction in site development standards or a modification of Zoning Ordinance requirements or architectural design requirements that exceed the minimum building standards approved by the State Building Standards Commission;
- Approval of mixed use zoning in conjunction with the housing development;
- Other regulatory incentives or concessions proposed by the developer or the City which result in identifiable cost reductions;
- Partial or additional density bonus;
- Subsidized or reduced planning, plan check or permit fees; and
- Direct financial aid including, but not limited to redevelopment set-aside funding, Community Development Block Grant funding, or subsidizing infrastructure, land cost or construction costs or other incentives of equivalent financial value based upon the land costs per dwelling unit.

Furthermore, developments meeting the State density bonus requirements may use the State parking standards:

- Studio and one-bedroom: 1 parking space
- Two- and three-bedroom: 2 parking spaces
- Four or more bedrooms: 2.5 parking spaces

These requirements include guest and handicapped parking.

Development Review Process

City Review

Carlsbad's review process depends on the project type and complexity, and whether a major variation in development standards, land use, or operating conditions is requested. If the proposed project involves ownership units, then either a tentative tract map or parcel map is required. If condominium ownership is proposed, then either a Planned Unit Development (PUD) permit or a Condominium (Condo) Permit is required. This PUD or Condo Permit process allows review of project design features, such as architecture, site design, landscaping, and recreation areas. Zoning Ordinance Chapter 21.45 contains the standards required for projects subject to a PUD or Condo permit; the chapter also provides the necessary approval findings and references applicable City Council policies specifying architectural and neighborhood design.

The discretionary review process for rental apartments is less onerous. Apartment projects with no more than four units are allowed by right in multi-family zones, provided they meet General Plan density thresholds. Since only a building permit is required, apartment complexes with four or fewer units provide an opportunity for infill of underutilized sites. Apartment developments with more than four units must submit a Site Development Plan (SDP) and go before the Planning Commission. The Planning Commission review of the SDP pertains only to design features of the development since the residential use is allowed by right.

According to Zoning Ordinance Section 21.53.120, SDPs are also required for rental or ownership affordable housing projects of any size. "Affordable housing" is defined in the Zoning Ordinance as "housing for which the allowable housing expenses for a for-sale or rental dwelling unit paid by a household would not exceed thirty percent of the gross monthly income for target income levels, adjusted for household size." Review of SDPs for affordable housing projects follows the timeframes discussed below. Processing of SDPs is explained in Zoning Ordinance Chapter 21.06.

As mentioned previously, review of the SDP focuses only on design features, not the residential use. An identification of these design features or development standards is listed in Section 21.53.120 (c) as follows:

- The development standards of the underlying zone and/or any applicable specific or master plan, except for affordable housing projects as expressly modified by the site development plan.
- The site development plan for affordable housing projects may allow less restrictive development standards than specified in the underlying zone or elsewhere provided that the project is consistent with all applicable policies (such as the General Plan) and ordinances
- In the coastal zone, any project requiring a SDP shall be consistent with all certified local coastal program provisions, with the exception of density.
- Through the SDP process, the Planning Commission or the City Council may impose special conditions or requirements which are more restrictive than the development standards in the underlying zone or elsewhere that include provisions for, but are not limited to the following:
 - Density of use;
 - Compatibility with surrounding properties;
 - Parking standards;
 - Setbacks, yards, active and passive open space required as part of the entitlement process, and on-site recreational facilities;
 - Height and bulk of buildings;
 - Fences and walls;
 - Signs;
 - Additional landscaping;
 - Grading, slopes and drainage;

Constraints and Mitigating Opportunities

- Time period within which the project or any phases of the project shall be completed;
- Points of ingress and egress;
- Other requirements to ensure consistency with the General Plan or other adopted documents; and
- On or off-site public improvements.

To assist applicant certainty regarding the standards that would be applied, documents such as the Zoning Ordinance and other planning requirements applicable to multi-family developments are available from the Carlsbad Planning Department via mail, email, online, or in person. Applicable provisions as well as application forms and fee information may be found on the department's website at <http://www.carlsbadca.gov/planning/index.html>.

Additionally, Zoning Ordinance Section 21.06.020 establishes the approval findings for SDPs. These findings are as follows:

1. That the requested use is properly related to the site, surroundings and environmental settings, is consistent with the various elements and objectives of the general plan, will not be detrimental to existing uses or to uses specifically permitted in the area in which the proposed use is to be located, and will not adversely impact the site, surroundings or traffic circulation;
2. That the site for the intended use is adequate in size and shape to accommodate the use;
3. That all of the yards, setbacks, walls, fences, landscaping, and other features necessary to adjust the requested use to existing or permitted future uses in the neighborhood will be provided and maintained, and;
4. That the street system serving the proposed use is adequate to properly handle all traffic generated by the proposed use.

These findings, and the development standards that are applicable to multi-family development, are specific to the design of the project and its site, and the project's compatibility with its surroundings and serving infrastructure. Furthermore, they are readily available to a project applicant. Sites for high density development in the City are located according to General Plan standards to help ensure they are in locations compatible with their surroundings and appropriately located near adequate services and transportation networks.

Furthermore, Carlsbad offers the preliminary review process to potential applicants. For a reduced application fee and minimal submittal requirements, applicants will receive detailed information on the standards and processing applicable for their anticipated projects, including comments from the City's Building, Engineering, Fire, and Planning Departments.

For reference, Appendix H contains the staff report and resolutions for Carlsbad Family Housing (Cassia Heights), a recently completed 56-unit affordable apartment project. This project required a General Plan Amendment, Zone Change, Site Development Plan, and Special Use Permit. The report demonstrates the analysis, findings, and conditions applied to an affordable project.

The timeframe for processing required permits can vary, depending on the size and type of development, permits required, and approving entity (**Table 4-9**). Typical processing time for a single-family home is two to three weeks, while larger subdivisions can take 8 to 12 months (from the application date to approval date).

Table 4-9
Discretionary Reviews for Residential Projects

Type of Development	Permits Required	Approving Entity	Processing Time
Single-Family House (1 Unit)	Building Permit	Building Official	2 – 3 weeks
Single-Family Standard Subdivision (1-4 Units)	Tentative Parcel Map	City Engineer	3 – 6 months
Single-Family Small-lot Subdivision (1-4 Units)	Tent. Parcel Map PUD Permit	City Engineer Planning Director	4 – 8 months
Single-Family or Multi-family Condominiums (1-4 Units)	Tent. Parcel Map PUD Permit or Condo Permit	City Engineer Planning Director	4 – 8 months
Single-Family or Multi-family Apartments (1-4 Units)	Building Permit	Building Official	3 – 5 weeks
Single-Family Standard Subdivision (5-50 Units)	Tent. Tract Map	Planning Commission	6 – 9 months
Single-Family Small-lot Subdivision (5-50 Units)	Tent. Tract Map PUD Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Condominiums (5-50 Units)	Tent. Tract Map PUD Permit or Condo Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Apartments (5-50 Units)	Site Development Plan	Planning Commission	6 – 11 months
Single-Family Standard Subdivision (over 50 Units)	Tent. Tract Map	City Council	8 – 12 months
Single-Family Small-lot Subdivision (over 50 Units)	Tent. Tract Map PUD Permit	City Council	8 – 12 months
Single-Family or Multi-family Condominiums (over 50 Units)	Tent. Tract Map PUD Permit or Condo Permit	City Council	8 – 12 months
Single-Family or Multi-family Apartments (over 50 Units)	Site Development Plan	City Council	6 – 11 months

Source: City of Carlsbad, 2006.

California Coastal Commission

The City has obtained Coastal Development Permit jurisdiction for five of the six Local Coastal Plan (LCP) segments (excluding the Agua Hedionda Lagoon LCP) within its boundaries. Development within these five LCP segments of the coastal zone consistent with the Local Coastal Plan is not required to be reviewed by the Coastal Commission.

Proposed changes to the LCP or ordinances that implement the LCP, such as the Carlsbad Zoning Ordinance, require the filing of a LCP amendment with the Coastal Commission after all city approvals have occurred. The Coastal Commission must review and approve these changes before they become effective in the Coastal Zone. This additional review may add several months to a year or more. Since the requirement to file a LCP amendment is applicable to all jurisdictions with Coastal Zones, it is not unique to the City of Carlsbad and does not constitute an actual constraint to housing development.

San Diego Regional Airport Authority

Carlsbad is home to the McClellan-Palomar Airport, a public aviation facility. Pursuant to State law, all GPAs, Zone Code amendments, Master and Specific Plan amendments in Carlsbad must be reviewed by the San Diego County Regional Airport Authority. The SDCRA has 60 days for the review. However, the City Council has the authority to override the SDCRA review with a four-fifth vote. Since this requirement is applicable to all jurisdictions located near airports/airfields, this requirement is not unique to the City of Carlsbad and does not constitute an actual constraint to housing development.

Mitigating Opportunities

The City complies with State requirements for streamlining the permit processing procedures. In addition, the City offers priority processing for affordable housing projects, reducing the review time for discretionary permits.

Building Codes

There have been many revisions to the applicable building, electrical, plumbing, and mechanical codes since the last Housing Element Update in 1999. In 1999, the City had adopted various editions of the Uniform Building, Plumbing, Electrical, and Mechanical codes. In 2001, the State of California consolidated these codes into the California Building Standards Code, which is contained in Title 24 of the California Code of Regulations. The California Building Standards Code contains eleven parts: Electrical Code, Plumbing Code, Administrative Code, Mechanical Code, Energy Code, Elevator Safety Construction Code, Historical Building Code, Fire Code, and the Code for Building Conservation Reference Standards Code.

In the interest of increasing safety of structures and improvements, the City has adopted the 2001 edition of the California Building Code with minor amendments largely affecting buildings exceeding 35 feet in height by various building construction type. However, residential structures in the City have a maximum height limit of 35 feet and therefore, are not likely to be impacted by these amendments.

Constraints and Mitigating Opportunities

Fees and Exactions

The City of Carlsbad collects planning and development fees to cover the costs of processing permits. The City also charges impact fees to recover the cost of providing the necessary public services, infrastructure, and facilities required to serve new residential development. Carlsbad's development and permit fee schedule is presented in **Table 4-10**.

Table 4-10
Development Impact and Permit Issuance Fee Schedule

Fee Type	Fee	Fee Type	Fee
Administrative Variance	\$650	Planned Development or Condominium	
Planning	\$160	Minor (<5 units)	\$2,600
Redevelopment		Major (5-50 units)	\$7,210
Affordable Housing		Major (51+ units)	\$11,390
Impact	\$2,925/du	Sewer Connection	\$1,047
In-Lieu	\$4,515/du	Site Development Plan	
Coastal Development Permit		Minor (<4 units)	\$3,850
Single Family Lot	\$930	Major (all non-residential)	\$9,770
2-4 Lot	\$1,880	Specific Plan	\$30,100
5+ Units or Lot Subdivision	\$3,060	Tentative Tract Map	
Conditional Use Permit	\$3,870	5-49 units/lots	\$7,070
Environmental Impact Report	\$17,300	50+ units/lots	\$14,200
General Plan Amendment		Traffic Impact Fee	
0-5 Acres	\$3,680	Single Family	\$720- \$1,110/unit (in/out of CFD)
Over 5 Acres	\$5,310	Condominiums	\$560- \$856/unit (in/out of CFD)
Grading Plan Check	\$360-\$8,340 (based on cubic yards graded)	Apartments	\$420- 642/unit (in/out of CFD)
Grading Permit	\$360-\$15,230 (based on cubic yards graded)	Commercial/Industrial	\$29-45/ADT
Habitat Management Plan Permit			
Minor	\$940		
Major	\$3,450		
Hillside Development Permit		Variance	
Single Family	\$1,070	Planning	\$2,440
Other	\$2,070	Redevelopment	\$360
Local Coastal Program	\$5,380	Zone Change	

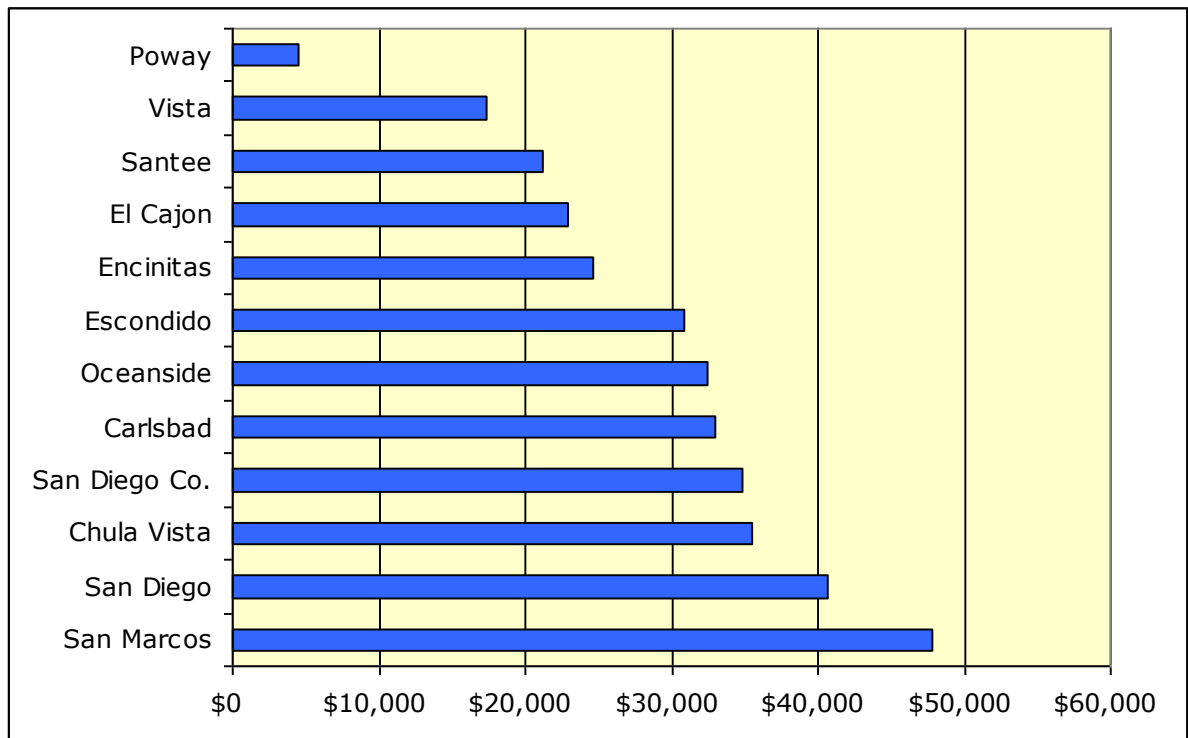
Table 4-10
Development Impact and Permit Issuance Fee Schedule

Fee Type	Fee	Fee Type	Fee
Amendment			
Final Map (Major Subdivision)	\$6,430+\$5/acre	<5 acres	\$4,230
Parcel Map (Minor Subdivision)	\$3,025	5+ acres	\$5,730
Master Plan	\$36,040		

Source: City of Carlsbad, September 2006.

The San Diego Building Industry Association (BIA) prepares an annual survey of development impact and permit issuance fees for jurisdictions in the San Diego region. As part of the 2005 survey, the BIA compared the permit issuance fees for a 4-bedroom/3-bath/2700-square-foot prototypical home (**Figure 4-1**). Among the participating jurisdictions in the North County area, Carlsbad had moderate fees for the prototype home (\$32,971). Fees in Poway were the lowest (\$4,500), while fees for the prototype home in San Marcos were the highest (\$47,829).

Figure 4-1
Permit and Development Impact Fees



Source: San Diego Building Industry Association, 2005.

Constraints and Mitigating Opportunities

The City of Carlsbad also analyzed the permit issuance fees for multi-family apartment structures with four or more units. To obtain complete information, data for apartments issued from 2003 to 2007 and only in the area for which the City provides water and sewer services was considered. For the 888 apartment units permitted in that time frame, the City charged over \$8,800,000 in permit fees, or an average of \$9,937 for each apartment. Fees do not include school district charges, which are not collected by the City.

Between 2000 and 2008, the City's multi-family housing stock increased by 45%, the largest highest growth of multi-family housing in the County, after only the City of San Marcos. Countywide, multi-family housing increased 12%. Therefore, the City's fees and other permit processing procedures or land use controls have not constrained multi-family development in the City.

Mitigating Opportunities

Carlsbad's development fees do not unduly constrain the development of affordable housing in the City. Although the City does not waive fees for affordable housing projects, the Housing and Redevelopment Department provides financial assistance to most affordable housing projects constructed in Carlsbad using a variety of funding sources, including redevelopment housing set-aside, Housing Trust Fund, and CDBG/HOME Housing Reserve Fund.

C. Environmental Constraints

Environmental constraints to residential development typically relate to the presence of sensitive habitat, water supply, topography, and other environmental hazards that can limit the amount of development in an area or increase the cost of development. This section analyzes these potential constraints.

Endangered Species/Sensitive Habitat

Carlsbad contains many areas where native habitat hosts endangered or sensitive species. Protection of many of the species is mandated by federal and state laws. The presence of sensitive or protected habitat and/or species can constrain the amount of developable land. With the price of land so high in Carlsbad, this type of constraint on otherwise developable land would make the construction of affordable housing less feasible.

Mitigating Opportunities

With the adoption of the Habitat Management Plan (HMP) in 2004, the processing time for housing development and associated costs are reduced.

Water Supply

Although Carlsbad and the San Diego County Water Authority (SDCWA) do not foresee short-term water supply problems, the City cannot guarantee the long-term availability of an adequate water supply. Recent State law requires that the local water purveyor prepare a water supply assessment for larger subdivisions to ensure adequate long-term water supply for single-year and multi-year drought conditions prior to issuance of a building permit. The City also actively implements several water conservation programs and has an extensive network for the collection, treatment, and circulation of recycled water for non-potable uses throughout the City. In 2006, the City approved the Carlsbad Seawater Desalination Plant. If approved by the Coastal Commission and built, the desalination plant would provide 100 percent of the potable water needs of the Carlsbad Municipal Water District, which serves most of the city.

Mitigating Opportunities

Pursuant to State law, affordable housing projects should be given priority for water and sewer services should supply or capacity becomes an issue.

The Carlsbad Municipal Water District (CMWD) serves approximately 75 percent of the City, providing sewer service to the same area as the City of Carlsbad. Both the City and CMWD have adequate capacity and facilities to serve the portion of the City's remaining RHNA that is within their service areas, approximately 3,400 units, or the majority of the City's 3,566 remaining RHNA units. Portions of the CMWD service area are also sewered by the Leucadia Wastewater District, an agency further discussed below.

The portions of Carlsbad not served by CMWD or the City are located in the southeastern part of Carlsbad, including the community known as "La Costa." For much of this area, the Leucadia Wastewater District provides sewer service and the Olivenhain Municipal and Vallecitos water districts provide water service. None of the sites the City has identified to meet its RHNA are located in the Vallecitos service area. However, no more than 350 of Carlsbad's remaining RHNA are located within the Leucadia and Olivenhain districts. Both districts have indicated their ability to provide sewer and water services to the RHNA units within their respective service areas.

Topography

Certain topographic conditions can limit the amount of developable land and increase the cost of housing in Carlsbad. For safety and conservation purposes, Carlsbad's Hillside Development Ordinance does not allow significant amounts of grading without regulatory permits. In addition, land that has slopes over 40 percent is precluded from the density calculation. Development on slopes greater than 25 percent but less than 40 percent is permitted at half the site's base density. Thousands of acres of land in Carlsbad are constrained by topography. Where residential development is permitted on moderate slopes, the cost of improvement and construction in these areas increases and can

affect the end price of the unit. For safety concerns and the community goal of preserving the unique scenic qualities of hillside topography, these policies on hillside development are necessary.

McCellan/Palomar Airport

The McCellan/Palomar Airport is located east of the I-5 and north of Palomar Airport Road within the City limits. The significant restrictions to residential development are the flight activity zone and within certain projected noise contour levels. The flight activity zone contains areas restricted from certain uses due to potential crash hazards. The projected noise contour levels are used to quantify noise impacts and to determine compatibility with land uses. State noise standards have adopted the 65 CNEL (Community Noise Equivalent Level) as the noise environment not suitable for residential use.

Mitigating Opportunities

The Carlsbad General Plan Land Use Element designates the area around the Airport primarily for industrial and agricultural uses. Multi-family residential development may be permitted providing it serves with or is built in conjunction with adjoining industrial development. Any multi-family housing within the 65 CNEL is subject to a noise study and required mitigation measures.

Environmental Constraints of Identified Housing Sites

Section 3 identifies a variety of sites that the City proposes to meet its remaining share of the Regional Housing Needs Assessment (RHNA), which totals 3,566 units. To the extent possible, the environmental constraints associated with these sites are generally discussed below. Please refer to Section 3 for explanations regarding the General Plan designations and other terms used.

1. *Robertson Ranch* – Divided into two planning “villages” consisting of individual planning areas, this large, approved master planned community has a certified environmental impact report (EIR). The east village is under construction. The west village is not yet under construction and features areas of steep slopes and sensitive habitat. However, most of the west village is currently in agricultural production or fallow fields, and all master planning for the entire west village is completed. Development of the individual planning areas, if in conformance with the master plan and impacts considered in the EIR, require no further environmental review.
2. *Unentitled Lands* – Unentitled parcels with existing RMH or RH General Plan designations are scattered throughout Carlsbad. Generally, these properties are small, with the majority under one acre in size and the largest approximately 3.5 acres in size. These parcels are typically located in developed areas and are not expected to be heavily constrained by steep slopes and habitat or require significant environmental review.

3. *Underutilized Sites* – These are properties with existing RMH or RH General Plan designations and potential for more intense development. They are all less than one acre in size, located near the coast, and in developed areas. There are likely no significant environmental constraints associated with these parcels.
4. *Proposed Barrio Area and Existing Village Redevelopment Area* - These two areas have the potential to provide a significant amount of housing to meet the City's remaining RHNA. Located adjacent to each other and west of Interstate 5, the Barrio and Village areas are in urbanized, developed areas and lack significant topography and sensitive vegetation. Impacts associated with density increases already approved for the Village Redevelopment Area and considered in this Housing Element have been analyzed in an adopted environmental document. As individual projects are proposed, they will go through separate environmental review although this review is not expected to be significant.

The proposed Barrio Area plan will require environmental review, which will likely focus on potential impacts associated with urban development, such as traffic, aesthetics, land use, and public facilities. Adoption of the planning and environmental documents for the proposed Barrio Area may extend to 2010, but is expected to be completed before July 2010.

5. *Bridges at Aviara Affordable Housing Component* – Part of a large proposed senior project, this high density project is located on undeveloped lands in the City's Coastal Zone. Potential environmental constraints include those associated with slopes, sensitive habitat, and land use. The project site is on land currently designated for low density development. The project will be analyzed for compliance with the City's Habitat Management Plan and Local Coastal Program, among other documents. Environmental impacts will be considered in the environmental document prepared for the whole Bridges at Aviara project. Processing of the environmental document may extend through 2009.
6. *Ponto* – The Ponto area features a proposed RH site and a proposed commercial mixed use site. The RH and mixed use sites and land uses are already identified and analyzed in an approved vision plan and EIR certified by the City Council; however, zoning and General Plan amendments are necessary to put in place correct land use designations, and the EIR is the subject of litigation regarding financial contributions towards off-site improvements. Provided litigation is resolved without revisions to the EIR, development consistent with the vision plan should not require additional significant environmental review.
7. *Quarry Creek* – A former mining operation, Quarry Creek is a largely disturbed, approximately 100-acre property that also features significant

Constraints and Mitigating Opportunities

habitat areas. The property is subject to reclamation as required by the state Surface Mining and Reclamation Act. The reclamation plan and accompanying EIR are in preparation and the draft EIR was released for public review in September 2008. Based on earlier agreements, the City of Oceanside, not Carlsbad, is responsible for preparation and approval of the reclamation plan and EIR. An additional, five-acre portion of the former mine is in Oceanside and is not part of the site considered by this Housing Element.

Additional environmental review will be required for the land use designations the City proposes for this site; this review may include another EIR. Furthermore, site reclamation must be permitted and must occur before Quarry Creek is ready for residential or other development. Reclamation includes restoration of Buena Vista Creek, which bisects the site, and remediation of soils and groundwater, a process which is well underway.

5. Review of 1999 Housing Element

Before devising a new five-year housing plan for the 2005-2010 Housing Element, the City reviewed the housing programs contained in the 1999 Housing Element for effectiveness and continued appropriateness. Appendix B provides a program-by-program discussion of achievements since 1999. The continued appropriateness of each program is also noted. Section 6, Housing Plan, of this 2005-2010 Housing Element was developed based on this program-by-program review of the 1999 Housing Element, assessment of current demographic and housing conditions in the community (Section 2), resources available (Section 3), and constraints present (Section 4). The following summarizes the achievements of the 1999 Housing Element in terms of housing constructed and preserved.

A. Housing Construction and Progress toward RHNA

The following **Table 5-1** summarizes the City's progress in housing construction from July 1, 1999 to June 30, 2005. Overall, the City's housing production exceeded the RHNA by 36 percent. With the City's highly successful Inclusionary Housing program, the City was able to produce 1,185 lower income units – an accomplishment few jurisdictions in San Diego County are able to claim.

Table 5-1
Progress toward Meeting the RHNA: 1999 - 2005

Fiscal Year	Very Low Income	Lower Income	Moderate Income	Above Moderate Income*	Total
1999 - 2000	23	159	42	1,690	1,914
2000 - 2001	138	158	94	1,707	2,097
2001 - 2002	17	106	75	1,262	1,460
2002 - 2003	0	69	0	656	725
2003 - 2004	0	50	53	488	591
2004 - 2005	85	380	197	1,048	1,688
Total	263	922	461	6,851	8,475
RHNA	1,710	1,417	1,436	1,591	6,214
% of RHNA	15.4%	65.0%	32.0%	426.2%	136.4%

* Number of units in Above Moderate Income includes 70 units for which the income affordability could not be determined. Conservatively, these units are assumed to be affordable only to above moderate income households.

Housing in the Coastal Zone

Pursuant to State law, the City monitors housing activities in the Coastal Zone. According to State law, coastal zone demolitions that meet the certain criteria are not required to be replaced. One of these criteria is the demolition of a residential structure containing less than three dwelling units or the demolition of multiple residential structures containing 10 or fewer total dwelling units. A

total of 23 units have been demolished in Carlsbad's Coastal Zone during the 1999-2005 period. Among these units, none was subject to replacement requirements.

The City's Inclusionary Housing program has caused many affordable units to be constructed in the Coastal Zone or within three miles of the Coastal Zone. Detailed in **Table 5-2** is a cumulative tabulation of the housing units constructed and demolished in the Coastal Zone from 1991 to 2005. Between 1999 and 2005, 7,583 housing units were added to the Coastal Zone, of which 75 (or 10 percent) were affordable to lower-income households.

Table 5-2
Coastal Zone Residential Development

Single-family		Multifamily		Mobile Homes	Demolitions	Affordable Units
Attached	Detached	2-4 units	5+ units			
1991-1999 (July 1, 1991 to June 30, 1999)						
134	2,041	307	366	0	16	344
1999-2005 (July 1, 1999 to June 30, 2005)						
60	2,381	305	4,837	0	8	456*

*Includes 17 second dwelling units

Source: City of Carlsbad PERMITS Plus System, 2007

B. Housing Preservation

Overall, the City's housing stock is new and in good condition; therefore, housing preservation activities focused primarily on preserving the affordability of the units. Between 1999 and 2005, the City implemented the following preservation programs:

- Condominium Conversion – Condominium conversions resulted in the loss of 30 rental units; however, the City collected \$135,450 in Inclusionary In-Lieu Fees, which will be used to provide affordable housing in the City to replenish the rental housing stock.
- Mobile Home Park – The City assisted in the tenant purchase of one mobile home park.
- Acquisition and Rehabilitation – The City assisted in the acquisition and rehabilitation of one rental property consisting of 75 units (Tyler Court), which preserved units for individuals with extremely low and very low incomes.

C. Eligibility for Self-Certification of 2005-2010 Housing Element

Jurisdictions in the San Diego region are eligible to participate in the Self-Certification program of the Housing Element, provided that the jurisdiction meets its affordable housing production goals as assigned by SANDAG. To be eligible to self-certify the 2005-2010 Housing Element, the City of Carlsbad must provide a total of affordable housing units for 629 lower income households between 1999 and 2004. Specifically, the affordable housing production goals are divided into the following income groups:

Units affordable to extremely low-income households	170 units (27%)
Units affordable to very low-income households	201 units (32%)
Units affordable to low-income households	258 units (41%)

Between July 1, 1999 and June 30, 2004, the City of Carlsbad had already created 1,583 affordable housing opportunities/self-certification units for lower income households. The City exceeded its self-certification goals in all income categories. Based on this level of accomplishments, the City of Carlsbad is eligible to self-certify the 2005 Housing Element. See Appendix A for Records of Affordable Housing Production.

6. Housing Plan

This section of the Housing Element sets out the City's long-term housing goals and identifies a menu of shorter-term objectives, policy positions, and programs to achieve the long-term goals. The goals, objectives, policies, and programs comprise a broad-based Housing Plan for the creation of housing opportunities throughout the City. Through this Housing Plan the City demonstrates its understanding of the magnitude of the housing problem, as well as its commitment of City resources to providing the necessary solutions.

Fiscal Considerations

While the City affirms its commitment towards meeting the community's housing needs, it is nevertheless incumbent on the City to acknowledge that the Housing Plan is but one of a large number of programs competing for the finite fiscal resources of the City. As such, it is not possible to subject this Housing Plan to strict budgetary scrutiny. In addition, there may be legal requirements affecting future encumbrances of funds, as well as demands in other areas requiring the City to make difficult decisions on budgetary priorities.

Defining Goals and Policies

The Goals and Policies section of the Housing Plan establishes a policy framework to guide City decision making to meet identified goals. The housing programs outlined later represent actions the City of Carlsbad will undertake to promote housing opportunities for all segments of the community.

The housing **Goals** are articulated as a general "end condition statement", which states a desired outcome. The Goals do not contain an action verb as they reflect a final statement of what the City will hope to achieve. How the goal will be achieved is established via the subordinate policies and programs.

Policies are statements on the position the City takes to implement an objective. Policies contained in the Housing Element are important statements as they reflect the City's official position on a matter. Future development must be consistent with these policies.

Designing Housing Programs

The housing goals and policies address Carlsbad's identified housing needs, and are implemented through a series of housing programs offered by the City. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies. Each program identifies the following:

Funding: Indicates the sources of funds to be used for each program. When these funds become unavailable, implementation of these programs may not be possible.

Lead Agency: Indicates the agency, department or authority responsible for the program. When more than one agency is listed it is a joint or cooperative effort. The Housing Authority means the City Council authority over any housing program, the administration and actual staffing of which is to be carried out by the Housing and Redevelopment Department.

Objectives: Indicates the specific objectives to be achieved. Whenever possible, the objectives would be quantified.

Time Frame: Indicates the time span for the programs and target year for specific accomplishments or milestones. Unless otherwise stated, the time frame for program implementation is July 1, 2005 through June 30, 2010.

A. Goals, Policies, and Programs

Preservation

Preserving the existing housing stock and avoiding deterioration that often leads to the need for substantial rehabilitation is one of the City's goals. In addition, it is important to preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

Goal 1: Carlsbad's existing housing stock preserved, rehabilitated, and improved with special attention to housing affordable to lower-income households.

Policy 1.1: Withhold approval of requests to convert existing rental units to condominiums when the property contains households of low and moderate income, unless findings can be made that a reasonable portion of the units will remain affordable, and the City has met its need for affordable housing stock for lower and moderate income groups.

Policy 1.2: Set aside approximately 20 percent of the rental units acquired by the City, Redevelopment Agency, or Housing Authority for rehabilitation purposes for households in the very low income range.

Policy 1.3: Target City, Redevelopment Agency, or Housing Authority provision of rehabilitation assistance and assistance to homeowners of low income, special needs and senior households in that priority.

Policy 1.4: Monitor status of assisted rental housing and explore options for preserving the units "at risk" of converting to market-rate housing.

Policy 1.5: Seek to reduce or eliminate net loss of existing mobile home rental opportunities available to lower and moderate income households.

Policy 1.6: Aim to retain and preserve the affordability of mobile home parks.

Policy 1.7: Survey residential areas periodically to identify substandard and deteriorating housing in need of replacement or rehabilitation.

Policy 1.8: Provide rehabilitation assistance, loan subsidies, and rebates for lower-income households, persons of special needs, and senior homeowners to rehabilitate deteriorating homes.

Policy 1.9: Acquire rental housing from private owners as feasible utilizing various local, state, and federal funding sources, and rehabilitate deteriorated structures if needed. If acquisition is not feasible, provide incentives to property owners to rehabilitate deteriorating rental units that house lower income households.

Program 1.1: Condominium Conversion

The City will continue to discourage and/or restrict condominium conversions when such conversions would reduce the number of low or moderate income housing units available throughout the City. All condominium conversions are subject to the City's Inclusionary Housing Ordinance; the in-lieu fees or actual affordable units required by the ordinance would be used to mitigate the loss of affordable rental units from the City's housing stock.

Funding: Inclusionary Housing In-Lieu Fee

Lead Agency: Planning Department

Objectives and Time Frame:

- Continue implementation of the Inclusionary Housing Ordinance and impose inclusionary housing requirements on condominium conversions.

Program 1.2: Mobile Home Park Preservation

The City will continue to implement the City's Residential Mobile Home Park zoning ordinance (Municipal Code 21.37) that sets conditions on changes of use or conversions of Mobile Home Parks.

The City will also assist lower income tenants to research the financial feasibility of purchasing their mobile home parks so as to maintain the rents at levels affordable to its tenants.

Funding: Housing Trust Fund, State grants and loans

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to regulate the conversion of mobile home parks in Carlsbad.
- Provide information to mobile home park tenants regarding potential tenant purchase of parks and assistance available.

Program 1.3: Acquisition/Rehabilitation of Rental Housing

The City will continue to provide assistance to preserve the existing stock of low and moderate income rental housing, including:

- Provide loans, grants, and/or rebates to owners of rental properties to make needed repairs and rehabilitation.
- Acquire and rehabilitate rental housing that is substandard, deteriorating or in danger of being demolished. Set-aside at least 20 percent of the rehabilitated units for very low income households.
- Provide deferral or subsidy of planning and building fees, and priority processing.

Priority will be given to housing identified by the Building Department as being substandard or deteriorating, and which houses lower income and in some cases moderate income households.

Funding: State grants and loans, Redevelopment Housing Set-Aside, CDBG

Lead Agency: Housing and Redevelopment Department, Building Department

Objectives and Time Frame:

- Assist in the acquisition and/or rehabilitation of 50 rental housing units between 2005 and 2010.
- Contact nonprofit housing developers annually to explore opportunities for acquisition/rehabilitation of rental housing.
- Publicize City funding available for acquisition/rehabilitation activities on City website.

Program 1.4: Rehabilitation of Owner-Occupied Housing

As the housing stock ages, the need for rehabilitation assistance may increase. The City will provide assistance to homeowners to rehabilitate deteriorating housing. Energy conservation improvements are eligible activities under the City's rehabilitation assistance. Assistance will include financial incentives in the form of low interest and deferred payment loans, and rebates. Households targeted for assistance include lower-income and special needs (disabled, large, and senior) households.

Funding: Redevelopment Housing Set-Aside, CDBG, State loans and grants

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Assist in the rehabilitation of 25 owner-occupied housing units between 2005 and 2010.

Program 1.5: Preservation of At-Risk Housing

One project – Seascapes Village – within the City may be considered as at risk. This project has deed restrictions on 42 units that are set to expire January 1, 2009. The City will monitor the status of projects such as Seascapes Village that may be at-risk, ensure tenants receive proper notification of any changes and are aware of available special Section 8 vouchers, and contact nonprofit housing developers to solicit interest in acquiring and managing at risk projects.

Funding: Redevelopment Housing Set-Aside, CDBG, State loans and grants

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Annually monitor the at-risk status of Seascapes Village and contact property owner for intention to convert to market-rate housing.
- Ensure that the tenants receive proper notification.
- Assist tenants to receive special Section 8 vouchers set aside by HUD for tenants whose rent subsidies are terminated due to expiration of project-based Section 8 contracts.
- Contact nonprofit housing developers in 2008 to solicit interest in acquiring and managing at-risk housing projects.

Housing Opportunities

A healthy, sustainable community relies on its diversity and its ability to maintain balance among different groups. The City encourages the production of new housing units that offer a wide range of housing types to meet the varied needs of its diverse population. A balanced inventory of housing in terms of unit type (e.g., single-family, apartment, condominium, etc.), cost, and architectural style will allow the City to fulfill a variety of housing needs.

Goal 2: New housing developed with diversity of types, prices, tenures, densities, and locations, and in sufficient quantity to meet the demand of anticipated City and regional growth.

Policy 2.1: Ensure sufficient developable acreage in all residential densities to provide varied housing types for households in all economic segments.

Policy 2.2: Allow development of sufficient new housing to meet Carlsbad's share of the regional housing need for 2005-2010 as determined by SANDAG and consistent with this Housing Element.

Policy 2.3: Identify, monitor, record, and report data on housing units constructed, converted, and demolished in the Coastal Zone along with information regarding whether these units are affordable to lower and moderate income households pursuant to State law.

Policy 2.4: Ensure that housing construction achieved through the use of modified codes and standards while retaining quality design and architecture.

Policy 2.5: Provide alternative housing environments by encouraging adaptive reuse of older commercial or industrial buildings.

Policy 2.6: Encourage increased integration of housing with nonresidential development where appropriate.

Policy 2.7: Encourage the use of innovative techniques and designs to promote energy conservation in residential development.

Program 2.1: Adequate Sites

The City will continue to monitor the absorption of residential acreage in all densities and, if needed, recommend the creation of additional residential acreage at densities sufficient to meet the City's housing need for current and future residents. Any such actions shall be undertaken only where consistent with the Growth Management Plan.

In order to ensure that adequate residential acreage at appropriate densities is available to meet the City's Regional Housing Needs Assessment (RHNA) the City will implement the following objectives:

- The City shall process a general plan amendment(s) to redesignate a minimum net acreage of each site in **Table 6-1** to RH and require that the redesignated sites be developed at a minimum density of 20 units per acre. As part of this program, the City shall also process all necessary amendments to the Zoning Ordinance and other planning documents, such as master or specific plans.

Table 6-1
General Plan Amendment (RH): Ponto and Quarry Creek

Property	APN	Approximate Minimum Acres to be Redesignated to RH	Density Yield
Ponto	216-140-17	6.4	128
Quarry Creek	Portions of 167-040-21	15.0	300
Commercial Mixed Use Ponto	Portion of 216-140-18	2.8	28

- The City shall process a general plan amendment(s) to redesignate a minimum net acreage of each site in **Table 6-2** to RMH and require that the redesignated site be developed at a minimum density of 12 units per acre. As part of this program, the City shall also process all necessary

amendments to the Zoning Ordinance and other planning documents, such as master or specific plans.

**Table 6-2
General Plan Amendment (RMH): Quarry Creek**

Property	APN	Approximate Minimum Acres to be Re-designated to RMH	Density Yield
Quarry Creek	Portions of 167-040-21	17	200

- The City shall process general plan amendments to establish minimum densities of 12 units per acre and 20 units per acre for the RMH and RH land use designations, respectively, except for those RH designated properties in the Beach Area Overlay Zone.
- The City shall process amendments to the Village Redevelopment Master Plan and Design Manual and/or other planning documents as necessary to establish, for residential projects and mixed use projects with residential components within the Village Redevelopment Area, minimum densities equal to 80% of the maximum of the density range. For land use districts 1 - 4 (density range of 15 - 35 units per acre), as specified in the Carlsbad Village Redevelopment Master Plan and Design Manual, 80% shall be 28 units per acre. For land use districts 5 - 9 (density range of 15 - 23 units per acre), 80% shall be 18 units per acre. Furthermore, the City shall approve modifications to development standards of the Carlsbad Village Redevelopment Master Plan and Design Manual if a project satisfactorily demonstrates as determined by the City that such modifications are necessary to achieve the minimum densities.
- The City shall process amendments to the general plan and zoning ordinance and process other planning documents as necessary to establish and permit the minimum densities, areas, and land uses as described in Section 3 and specified in Tables 3-4, 3-6 and 3-9 for the Barrio Area.
- The City shall amend its zoning ordinance, general plan, and other land use documents as necessary to permit residential in a mixed use format on shopping center sites and commercial areas with a General Plan designations of "CL" and "R" and zoning designations of "C-L," "C-1" and "C-2," and/or other general plan and zoning designations as appropriate. Mixed use residential on shopping center and commercial sites shall be at a minimum density of 20 units per acre.
- The City will encourage the consolidation of small parcels in order to facilitate larger-scale developments. Specifically, the City will make available an inventory of vacant and underutilized properties to interested developers, market infill and redevelopment opportunities throughout the

City, particularly in the Village Redevelopment Area and proposed Barrio Area, and meet with developers to identify and discuss potential project sites.

For the Barrio Area, incentives shall be developed to encourage the consolidation of parcels and thus the feasibility of affordable housing. These incentives shall include increased density and other standards modifications.

To facilitate development in the Village Redevelopment Area, modification of standards (including increased density) are permitted for affordable housing, "green" buildings, and projects which meet the goals and objectives of the Village (which include residential and mixed use developments). In addition, the City offers offsets to assist in the development of affordable housing citywide. Offsets include concessions or assistance including, but not limited to, direct financial assistance, density increases, standards modifications, or any other financial, land use, or regulatory concession which would result in an identifiable cost reduction. The City will also encourage lot consolidation by assisting in site identification.

Funding: Departmental budget

Lead Agency: Housing and Redevelopment Department, Planning Department

Objectives and Time Frame:

- Provide adequate residential sites to ensure compliance with the adequate sites requirements of AB 2348 for meeting the Regional Housing Needs Assessment (RHNA) for the 2005-2010 planning period.
- Amendments to the general plan, zoning ordinance, and other land use documents necessary to effectuate the density changes and other Program components above shall be implemented by September 2012, except for Quarry Creek, Ponto, and the Barrio Area.
- Since they require extensive legislative and environmental actions (e.g., preparation and adoption of a master plan, Local Facilities Management Plan, and environmental impact report) general plan and zoning amendments for Quarry Creek, Ponto, and the Barrio Area shall be implemented by February 2013.

Program 2.2: Flexibility in Development Standards

The Planning Department, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the Municipal Code to encourage the development of low and moderate income housing.

Funding: Department budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Continue to offer flexibility in development standards to facilitate the development of lower and moderate income households. This shall include consideration of making offsets available to developers when necessary to enable residential projects to provide a preferable project type or affordability in excess of the requirements of Municipal Code Chapter 21.85, Inclusionary Housing. As defined in Chapter 21.85, offsets may include but are not limited to density increases on any residential site.
- Process amendments to its Planned Unit Development Ordinance, Parking Ordinance and Beach Area Overlay Zone and the Village Master Plan and Design Manual to modify development standards to enable the achievement of higher density residential projects by the end of 2007 (Note: These amendments were adopted in early or late 2007 and are now pending Coastal Commission approval, which is expected in 2009).
- Periodically review the Municipal Code and recommend changes that would enhance the feasibility of affordable housing, while maintaining the quality of housing.

Program 2.3: Mixed Use

The City will encourage mixed-use developments that include a residential component. Major commercial centers should incorporate, where appropriate, mixed commercial/residential uses. Major industrial/office centers, where not precluded by environmental and safety considerations, should incorporate mixed industrial/office/residential uses.

- As described in Program 2.1, the City shall amend the zoning ordinance and other necessary land use documents to permit residential mixed use at 20 units per acre on shopping center sites and commercial areas.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Periodically review development standards and incentives that would encourage mixed-use developments.
- Identify areas and properties with potential for mixed-use development and provide information to interested developers.

Program 2.4: Energy Conservation

The City of Carlsbad has established requirements, programs, and actions to improve household energy efficiency, promote sustainability, and lower utility costs.

- Enforce California building and subdivision requirements by requiring compliance with state energy efficiency standards (including adoption of the California Energy Code, 2007 Edition) and state Subdivision Map Act energy conservation provisions (Government Code section 66473.1). This latter code section requires subdivision design to provide future homes with passive or natural heating opportunities to the extent feasible through, for example, lot orientation.
- Encourage solar water heating by requiring new residential construction (ownership dwelling units only) to pre-plumb to accommodate solar hot water systems. This requirement has been in effect since 1981.
- Promote and participate in regional water conservation programs that allow Carlsbad Municipal Water District (CMWD) residents to receive rebates for water efficient clothes washing machines and toilets, free on-site water use surveys, and vouchers for weather-based irrigation controllers. The City publicizes these programs on its website, www.carlsbadca.gov/water/wdtips.html. CMWD serves approximately 75 percent of the City.

CMWD is also a signatory to the California Urban Water Conservation Council Memorandum of Understanding ("MOU"). Signatories to the MOU implement 14 Best Management Practices that have received a consensus among water agencies and conservation advocates as the best and most realistic methods to produce significant water savings from conservation.

In 1991, Carlsbad adopted a five-phase Recycled Water Master Plan designed to save potable water. The result is that CMWD has the most aggressive water recycling program in the region when measured in terms of percent of supply derived from recycled water. In its 2005 Urban Water Management Plan, CMWD estimates that in 2020 seven percent of the water needs of the area it serves will be met by conservation, 21 percent by recycled water usage, and 72 percent by desalinated water.

- In the Village Redevelopment Area, encourage energy conservation and higher density development by the modification of development standards as necessary to:
 - Enable developments to qualify for silver level or higher LEED (Leadership in Energy & Environmental Design) Certification, or a comparable green building rating, and to maintain the financial feasibility of the development with such certification.
 - Achieve densities at or above the minimum required if the applicant can provide acceptable evidence that application of the development standards precludes development at such densities.

Modifications may include but are not limited to changes to density, parking standards, building setbacks and height, and open space.

- Facilitate resource conservation for all households by making available through a competitive process Community Development Block Grants to non-profit organizations that could use such funds to replace windows, plumbing fixtures, and other physical improvements in lower-income neighborhoods, shelters, and transitional housing.
- Per General Plan policy, reduce fossil fuel consumption and pollution and improve residents' health by requiring:
 - New development to provide pedestrian and bike linkages, when feasible, which connect with nearby community centers, parks, school, and other points of interest and major transportation corridors.
 - Multi-family uses to locate near commercial centers, employment centers, and major transportation corridors.
- Designate "smart growth" areas in the City to help implement the San Diego Association of Governments Regional Comprehensive Plan vision for compact, sustainable growth.
- Per the City's Growth Management Program:
 - Facilitate development of higher density, affordable, and compact development by allowing withdrawals from the City's Excess Dwelling Unit Bank (see Section 4 for further details) only for certain qualifying projects; these projects include transit-oriented/smart growth developments, senior and affordable housing, and density bonus requests.
 - Encourage infill development in urbanized areas before allowing extensions of public facilities and improvements to areas which have yet to be urbanized.

Funding: Departmental budget/General Fund

Lead Agency: Planning Department; Building Department

Objectives and Time Frame:

- Continue to pursue energy efficient development and rehabilitation of residential units through incentives, funding assistance, and City policies.
- Continue to explore additional incentives to facilitate energy efficient development.

Goal 3: Sufficient new, affordable housing opportunities in all quadrants of the City to meet the needs of current lower and moderate income households and those with special needs, and a fair share proportion of future lower and moderate income households.

Policy 3.1: Require affordability for lower income households of a minimum of 15 percent of all units approved for any master plan community, residential specific plan, or qualified subdivision (as defined in the Inclusionary

Housing Ordinance). For projects that are required to include 10 or more units affordable to lower income households, at least 10 percent of the lower income units should have three or more bedrooms (lower income senior housing projects exempt).

Policy 3.2: Annually set priorities for future lower-income and special housing needs. The priorities will be set through the Consolidated Annual Plan which is prepared by the Housing and Redevelopment Department with assistance from the Planning Department and approved by the City Council. Priority given to the housing needs for lower-income subgroups (i.e., handicapped, seniors, large-family, very-low income) will be utilized for preference in the guidance of new housing constructed by the private sector and for the use of City funds for construction or assistance to low income projects.

Policy 3.3: Accommodate General Plan Amendments to increase residential densities on all PC and LC zoned properties and all other residentially designated properties to facilitate the development of affordable housing. Any proposed General Plan Amendment request to increase site densities for purposes of providing affordable housing, will be evaluated relative to the proposal's compatibility with adjacent land uses and proximity to employment opportunities, urban services or major roads. These General Plan Land Use designation changes will enable up to 23 dwelling units per acre, and, in conjunction with the City's Density Bonus Ordinance could potentially increase the density by 35 percent. Through the City's Affordable Housing Program (i.e., the Inclusionary Housing Ordinance), density increases in excess of 35 percent may also be realized.

Policy 3.4: Adhere to Council Policy Statement 43 when considering allocation of units from the Excess Dwelling Unit Bank. Amended on December 17, 2002, Policy Statement 43 authorized withdrawals from the banks to be utilized in the following "qualifying" projects anywhere within the city:

1. Projects that include a request for a density bonus;
2. Housing for lower or moderate-income families;
3. Senior housing;
4. Housing located within either of the city's two, official, redevelopment areas;
5. Transit-oriented/"smart growth" developments;
6. Conversions of general plan land use designations from non-residential to residential; and
7. Single-family developments, in infill-areas, under stipulated conditions.

Policy 3.5: Address the unmet housing needs of the community through new development and housing that is set aside for lower and moderate income households consistent with priorities set by the Redevelopment and Housing Department in collaboration with the Planning Department, as set forth in the City's Consolidated Plan.

Policy 3.6: Encourage the development of an adequate number of housing units suitably sized to meet the needs of lower and moderate income larger households.

Policy 3.7: Ensure that incentive programs, such as density bonus programs and new development programs are compatible and consistent with the City's Growth Management Ordinance.

Policy 3.8: Maintain the Housing Trust fund to facilitate the construction and rehabilitation of affordable housing.

Policy 3.9: Consistent with State law, establish affordable housing development with priority for receiving water and sewer services when capacity and supply of such services become an issue.

Program 3.1: Inclusionary Housing Ordinance

The City will continue to implement its Inclusionary Housing Ordinance that requires 15 percent of all residential units within any Master Plan/Specific Plan community or other qualified subdivision (currently seven units or more) be restricted and affordable to lower income households. This program requires an agreement between all residential developers subject to this inclusionary requirement and the City which stipulates:

- the number of required lower income inclusionary units;
- the designated sites for the location of the units;
- a phasing schedule for production of the units; and
- the term of affordability for the units.

For all subdivisions of fewer than seven units, payment of a fee in lieu of inclusionary units is permitted. The fee is based on a detailed study that calculated the difference in cost to produce a market rate rental unit versus a lower-income affordable unit. As of September 1, 2006, the in-lieu fee per market-rate dwelling unit was \$4,515. The fee amount may be modified by the City Council from time-to-time and is collected at the time of building permit issuance for the market rate units. The City will continue to utilize inclusionary in-lieu fees collected to assist in the development of affordable units.

The City will also continue to consider other in-lieu contributions allowed by the Inclusionary Housing Ordinance, such as an irrevocable offer to dedicate developable land.

Funding: Departmental budget

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Based on past trends and projects in pipeline, the City anticipates 4,060 new housing units between 2005 and 2010, potentially generating an inclusionary requirement of 609 units.
- Annually adjust the inclusionary housing in-lieu fee as necessary to reflect market conditions and ensure fees collected are adequate to facilitate the development of affordable units.

Program 3.2: Excess Dwelling Unit Bank

The City will continue to maintain, monitor and manage the Excess Dwelling Unit Bank, composed of "excess units" anticipated under the City's Growth Management Plan, but not utilized by developers in approved projects. The City will continue to make excess units available for inclusion in other projects using such tools as density transfers, density bonuses and changes to the General Plan land use designations per Council Policy Statement 43.

Based on analysis conducted in Section 4, Constraints and Mitigating Opportunities, the City has adequate excess dwelling units to accommodate the remaining RHNA of 2,395 units for lower and 1,171 units for moderate income households, which would require withdrawal of 2,830 units from the Excess Dwelling Unit Bank.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Ensure adequate excess dwelling units are available to address the City's remaining lower income RHNA for the 2005-2010 period.

Program 3.3: Density Bonus

In 2004, the State adopted new density bonus provisions (SB 1818) that went into effect on January 1, 2005. Consistent with the new State law (Government Code sections 65913.4 and 65915), the City will continue to offer residential density bonuses as a means of encouraging affordable housing development. In exchange for setting aside a portion of the development as units affordable to lower and moderate income households, the City will grant a bonus over the otherwise allowed density, and up to three financial incentives or regulatory concessions. These units must remain affordable for a period of 30 years and each project must enter into an agreement with the City to be monitored by the Housing and Redevelopment Department for compliance.

The density bonus increases with the proportion of affordable units set aside and the depth of affordability (e.g. very low income versus low income, or moderate income). The maximum density bonus a developer can receive is 35 percent when a project provides 11 percent of the units for very low income households, 20 percent for low income households, or 40 percent for moderate income households.

Financial incentives and regulatory concessions may include but are not limited to: fee waivers, reduction or waiver of development standards, in-kind infrastructure improvements, an additional density bonus above the requirement, mixed use development, or other financial contributions.

Funding: Departmental budget, Housing Trust Fund, Redevelopment Housing Set-Aside

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Ensure that the City's new Density Bonus Ordinance is consistent with the Inclusionary Housing Ordinance.
- Encourage developers to take advantage of density bonus incentives.

Program 3.4: City-Initiated Development

The City, through the Housing and Redevelopment Department, will continue to work with private developers (both for-profit and non-profit) to create housing opportunities for low, very low and extremely low income households.

Funding: Redevelopment Housing Set-Aside, Housing Trust Fund, CDBG, and other Federal, State and local funding

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Create 70 city-initiated or non-inclusionary affordable housing units for lower income households between 2005 and 2010. (Note: The City considers this program already met through the construction in the current housing cycle of two non-inclusionary projects, Cassia Heights and Roosevelt Gardens. These projects provide 67 homes for lower income households as discussed in Section 3.)

Program 3.5: Affordable Housing Incentives

The City uses Redevelopment Housing Set-Aside Funds and Housing Trust Funds to offer a number of incentives to facilitate affordable housing development. Incentives may include:

- Payment of public facility fees;
- In-kind infrastructure improvements, including but not limited to street improvements, sewer improvements, other infrastructure improvements as needed;
- Priority processing, including accelerated plan-check process, for projects that do not require extensive engineering or environmental review; and
- Discretionary consideration of density increases above the maximum permitted by the General Plan through review and approval of a Site Development Plan (SDP).

Funding: Departmental budget, Redevelopment Tax Increment and Housing Set-Aside, CDBG

Lead Agency: Planning Department, Housing and Redevelopment Department, Finance Department

Objectives and Time Frame:

- Assist in the development of 235 affordable units between 2005 and 2010 (inclusive of units to be assisted under Program 3.4, City-Initiated Development, and Program 3.10, Senior Housing).

Program 3.6: Land Banking

The City will continue to implement a land banking program to acquire land suitable for development of housing affordable to lower and moderate income households. The Land Bank may accept contributions of land in-lieu of housing production required under an inclusionary requirement, surplus land from the City or other public entities, and land otherwise acquired by the City for its housing programs. This land would be used to reduce the land costs of producing lower and moderate income housing by the City or other parties.

The City has already identified a list of nonprofit developers active in the region. When a City-owned or acquired property is available, the City will solicit the participation of these nonprofits to develop affordable housing. Affordable Housing Funds will be made available to facilitate development and the City will assist in the entitlement process.

Funding: CDBG, Redevelopment Housing Set-Aside, Housing Trust Fund

Lead Agency: Community Development Major Service Area, including the Housing and Redevelopment Department

Objectives and Time Frame:

- Compile an inventory of surplus properties owned by the City and other public entities by June 2009 and update the inventory annually for potential acquisition by the City.
- Solicit nonprofit developers when city-owned or acquired property becomes available for affordable housing.
- Make available the City's Affordable Housing Trust Fund to nonprofit developers to help defray costs associated with construction and acquisition of affordable housing.
- Assist in the permit processing of affordable housing proposals by nonprofit developers.

Program 3.7: Housing Trust Fund

The City will continue to maintain the various monies reserved for affordable housing, and constituting the Housing Trust Fund, for the fiduciary administration of monies dedicated to the development, preservation and rehabilitation of housing in Carlsbad. The Trust Fund will be the repository of all collected in-lieu fees, impact fees, housing credits and related revenues targeted for proposed housing as well as other local, state and federal funds.

Funding: In-Lieu fees, real property transfer tax, and HOME/CDBG Housing Reserve, local, state and federal funds

Lead Agency: Housing and Redevelopment Department, Finance Department

Objectives and Time Frame:

- Actively pursue housing activities to timely encumber and disburse Housing Trust Fund, including the development of Robertson Ranch and Cantarini/Holly Springs, and the rehabilitation of Tyler Court between FY 2008/09 and FY 2011/12.

Program 3.8: Section 8 Housing Choice Vouchers

The Carlsbad Housing Authority will continue to operate the City's Section 8 Housing Choice Voucher program to provide rental assistance to very low income households.

Funding: Federal Section 8 funding

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to provide rental assistance to approximately 700 extremely low and very low income households.

Program 3.9: Mortgage Credit Certificates

The City participates in the San Diego Regional Mortgage Credit Certificate (MCC) Program. By obtaining a MCC during escrow, a qualified homebuyer can qualify for an increased loan amount. The MCC entitles the homebuyer to take a federal income tax credit of 20 percent of the annual interest paid on the mortgage. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer's net earnings.

Funding: County MCC allocations

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to promote the MCC program with the objective of assisting two households annually.

Program 3.10: Senior Housing

The City will continue to encourage a wide variety of senior housing opportunities, especially for lower-income seniors with special needs, through the provision of financial assistance and regulatory incentives as specified in the City's Senior Housing Overlay zone. Projects assisted with these incentives will be subjected to the monitoring and reporting requirements to assure compliance with approved project conditions.

In addition, the City has sought and been granted Article 34 authority by its voters to produce 200 senior-only affordable housing units. The City would need to access its Article 34 authority only when it functions as the owner of the project, where the City owns more than 51 percent of the development.

Funding: Departmental budget, Housing Trust Fund, Redevelopment Housing Set-Aside, Private financing, state public financing

Lead Agency: Housing and Redevelopment Department, Planning Department

Objectives and Time Frame:

- Periodically review the Senior Housing Overlay provisions to expand housing opportunities for seniors.
- Provide information on incentives to interested developers.
- Work with senior housing developers and non-profit organizations to locate and construct 50 units of senior low-income housing between 2005 and 2010.

Program 3.11: Housing for Persons with Disabilities

The City will adopt an ordinance to establish a formal policy on offering reasonable accommodations to persons with disabilities with regard to the construction, rehabilitation, and improvement of housing. The ordinance will specify the types of requests that may be considered reasonable accommodation, the procedure and reviewing/approval bodies for the requests, and waivers that the City may offer to facilitate the development and rehabilitation of housing for persons with disabilities.

Funding: Departmental budget

Lead Agency: Planning Department, Building Department

Objectives and Time Frame:

- Adopt reasonable accommodation ordinance and remove the definition of family in the Zoning Ordinance by June 2009.

Program 3.12: Housing for Large Families

In those developments that are required to include 10 or more units affordable to lower-income households, at least 10 percent of the lower income units should have three or more bedrooms. This requirement does not pertain to lower-income senior housing projects.

Funding: Departmental budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Continue to implement this requirement as part of the Inclusionary Housing Ordinance.

Program 3.13: Farm Labor Housing

Pursuant to the State Employee Housing Act, the City permits by right employee housing for six or fewer in all residential zones where a single-family residence is permitted. Farm labor housing for 12 persons in a group quarters or 12 units intended for families is permitted by right on properties where agricultural uses are permitted. In 2004, the City amended the Zoning Code to conditionally permit farm labor housing for more than 12 persons in a group quarters or 12 units/spaces for households in the E-A, O, C-1, C-2, C-T, C-M, M, P-M, P-U, O-S, C-F and C-L zones.

Funding: State and Federal grants and loans, CDBG, Affordable Housing Trust Fund, Agricultural Conversion Mitigation Fee Fund

Lead Agency: Community Development Major Service Area; Planning Department

Objectives and Time Frame:

- Continue to work with, and assist, local community groups, social welfare agencies, farmland owners, and other interested parties to provide shelter for permanent and migrant farmworkers in the City, including notifying these parties of the grant application period for Agricultural Mitigation Conversion Fees, which may be used to provide farmworker housing.
- Coordinate with other regional and local programs to address farm labor housing needs in a cooperative, regional approach.
- Amend the Zoning Ordinance to comply with Health and Safety Code Section 17021.6, permitting by right farmworker housing of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single-family or household on properties where agricultural uses are permitted by June 2009.

Program 3.14: Housing for the Homeless

Carlsbad will continue to facilitate the acquisition, for lease or sale, of suitable sites for emergency shelters and transitional housing for the homeless population. This facilitation will include:

- Participating in a regional or sub-regional summit(s) including decision-makers from North County jurisdictions and SANDAG for the purposes of coordinating efforts and resources to address homelessness;
- Assisting local non-profits and charitable organizations in securing state and federal funding for the acquisition, construction and management of shelters;
- Continuing to provide funding for local and sub-regional homeless service providers that operate temporary and emergency shelters; and
- Identifying a specific zoning district in the City where emergency shelters will be permitted by right, with the following criteria:
 - The appropriate zoning district will offer easy access to public transportation and supportive services.
 - The zoning district should also contain adequate vacant and underutilized sites or building that can be converted to accommodate emergency shelters.
 - Besides being subject to the same development standards applied to other development in the specified zoning district, the City will establish objective development standards to regulate the following: 1) the maximum number of beds/persons permitted to be served nightly; 2) off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zone; 3) The size/location of exterior and interior onsite waiting and client intake areas; 4) The provision of onsite management; 5) The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart; 6) The length of stay; 7) Lighting; and 8) Security during hours that the emergency shelter is in operation.

Funding: Housing Trust Fund, Redevelopment Housing Set-Aside, CDBG
Lead Agency: Community Development Major Service Area; Planning Department

Objectives and Time Frame:

- Provide funding for homeless shelter providers through the annual Action Plan process for the use of CDBG funds.
- Participate annually and financially in regional programs, such as the North County Regional Winter Shelter Program, which utilize shelters such as the La Posada de Guadalupe men's homeless/farmworker shelter in Carlsbad.
- Amend the Zoning Ordinance to permit emergency shelters by right in the Planned Industrial (P-M) and Industrial (M) zones within one year of the adoption of the 2005-2010 Housing Element (i.e. by September 2009). In addition, and if necessary and applicable, a property's Site Development Plan, as imposed by its Qualified Development Overlay ("Q") Zone, will be amended to permit emergency shelters by right within the time frame specified.

Program 3.15: Transitional and Supportive Housing

Currently, the City's Zoning Ordinance does not address the provision of transitional housing and supportive housing. The City will amend the Zoning Ordinance to clearly define transitional housing and supportive housing. When such housing is developed as group quarters, they should be permitted as residential care facilities. When operated as regular multi-family rental housing, transitional and supportive housing should be permitted by right as a multi-family residential use in multi-family zones.

Funding: None Required

Lead Agency: Planning Department

Objectives and Time Frame:

- Amend Zoning Ordinance to address transitional housing and supportive housing by June 2009.

Program 3.16: Supportive Services for Homeless and Special Needs Groups

The City will continue to provide CDBG funds to community, social welfare, non-profit and other charitable groups that provide services for those with special needs in the North County area.

Furthermore, the City will work with agencies and organizations that receive CDBG funds to offer a City Referral Service for homeless shelter and other supportive services.

Funding: CDBG

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Provide funding for supportive service providers through the annual Action Plan process for the use of CDBG funds.
- Continue to operate the City's 211 Referral Service.

Program 3.17: Alternative Housing

The City will continue to implement its Second Dwelling Unit Ordinance (Section 21.10.015 of the Carlsbad Municipal Code) and will continue to consider alternative types of housing, such as hotels and managed living units.

Funding: Federal, state, and local loans and grants, private funds

Lead Agency: Planning Department, Housing and Redevelopment Department

Objectives and Time Frame:

- Continue to monitor underutilized properties and sites in the community that have potential for alternative housing options and offer the information to interested developers.
- Adopt an ordinance by September 2009 to conditionally permit and establish standards for managed living units in certain land use districts of the Village Redevelopment Area.

Program 3.18: Military and Student Referrals

The City will assure that information on the availability of assisted or below-market housing is provided to all lower-income and special needs groups. The Housing and Redevelopment Agency will provide information to local military and student housing offices of the availability of low-income housing in Carlsbad.

Funding: Departmental budget

Lead Agency: Housing and Redevelopment Agency

Objectives and Time Frame:

- Periodically update the City's inventory of assisted or below-market housing and make the information available on print and on the City's website.

Program 3.19: Coastal Housing Monitoring

As a function of the building process, the City will monitor and record Coastal Zone housing data including, but not limited to, the following:

- 1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.
- 2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments within the coastal zone.
- 3) The number of existing residential dwelling units occupied by persons and families of low or moderate income that are authorized to be demolished or

converted in the coastal zone pursuant to Section 65590 of the Government Code.

- 4) The number of residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that are required for replacement or authorized to be converted or demolished as identified above. The location of the replacement units, either onsite, elsewhere within the City's coastal zone, or within three miles of the coastal zone in the City, shall be designated in the review.

Funding: Departmental budget

Lead Agency: Community Development Major Service Area

Objectives and Time Frame:

- Continue to maintain records and prepare a summary report annually.

Program 3.20: Housing Element Annual Report

To retain the Housing Element as a viable policy document, the Planning Department will undertake an annual review of the Housing Element and schedule an amendment if required. As required, staff also monitors the City's progress in implementing the Housing Element and prepares corresponding reports to the City Council, SANDAG, and California Department of Housing and Community Development annually.

Funding: Departmental Budget

Lead Agency: Planning Department

Objectives and Time Frame:

- Prepare Annual Housing Production Report and report on implementation of the General Plan, including the Housing Element,.
- Submit annual report on implementation of the General Plan, including the Housing Element and Annual Housing Production Report, to the City Council, HCD, and other government agencies as necessary.

Fair Housing

Equal access to housing is a fundamental right protected by both State and Federal laws. The City of Carlsbad is committed to fostering a housing environment in which housing opportunities are available and open to all.

Goal 4: All Carlsbad housing opportunities (ownership and rental, market and assisted) offered in conformance with open housing policies and free of discriminatory practices.

Policy 4.1: Support enforcement of fair housing laws prohibiting arbitrary discrimination in the development, financing, rental, or sale of housing.

Policy 4.2: Educate residents and landlords on fair housing laws and practices through the distribution of written materials and public presentations.

Policy 4.3: Contract with a fair housing service provider to monitor and respond to complaints of discrimination in housing.

Policy 4.4: Monitor the lending practices of local lending institutions for compliance under the Community Reinvestment Act to evaluate lending activities and goals towards meeting the community's credit needs. Reevaluate relationship with lending institutions that are substantially deficient in their CRA ratings.

Policy 4.5: Periodically review City policies, ordinances, and development standards, and modify, as necessary, to accommodate housing for persons with disabilities.

Program 4.1: Fair Housing Services

With assistance from outside fair housing agencies, the City will continue to offer fair housing services to its residents and property owners. Services include:

- Distributing educational materials to property owners, apartment managers, and tenants;
- Making public announcements via different media (e.g. newspaper ads and public service announcements at local radio and television channels);
- Conducting public presentations with different community groups;
- Monitoring and responding to complaints of discrimination (i.e. intaking, investigation of complaints, and resolution); and
- Referring services to appropriate agencies.

Funding: CDBG, Section 8 and Redevelopment Administration funds

Lead Agency: Housing and Redevelopment Department

Objectives and Time Frame:

- Annually through the Action Plan process allocate funding for fair housing services.
- Participate in regional efforts to mitigate impediments to fair housing choice.

B. Quantified Objectives by Income

The following **Table 6-3** summarizes the City's quantified objectives for the 2005-2010 period by income group.

Table 6-3
Quantified Objectives: 2005-2010

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
RHNA ¹	903	1,019	1,460	1,583	3,411	8,376
Units to be Constructed ²	32	238	574	200	3,016	4,060
Units to be Rehabilitated	0	50	25	0	0	75
Units to be Conserved	0	42	0	0	0	106
Households to be Assisted ³	280	420	0	10	0	710
Total	312	750	599	210	3,016	4,887

Notes:

¹ The City has a RHNA allocation of 1,922 very low income units (inclusive of extremely low income units). Pursuant to new State law, the City must project the number of extremely low income housing needs based on Census income distribution or assume 50 percent of the very low income units are extremely low. According to CHAS data (based on Census data), the City had 12.6 percent very low income households (5.9 percent extremely low income and 6.7 percent very low income). Therefore the City's RHNA of 1,922 very low income units are split into 903 extremely low and 1,019 very low income units according to the same proportions.

² Affordable units include 235 City-initiated affordable housing (Program 3.5, Affordable Housing Incentives) and 609 anticipated inclusionary housing units (Program 3.1, Inclusionary Housing). Income distribution of these anticipated lower income units is based on the same proportions realized by projects approved and under construction (Table 3-2). Specifically, 32 extremely low income units from Mariposa Apartments are included. A general assumption of 200 moderate income units is used.

³ 40 percent of the Section 8 voucher holders are assumed to be extremely low income households.